

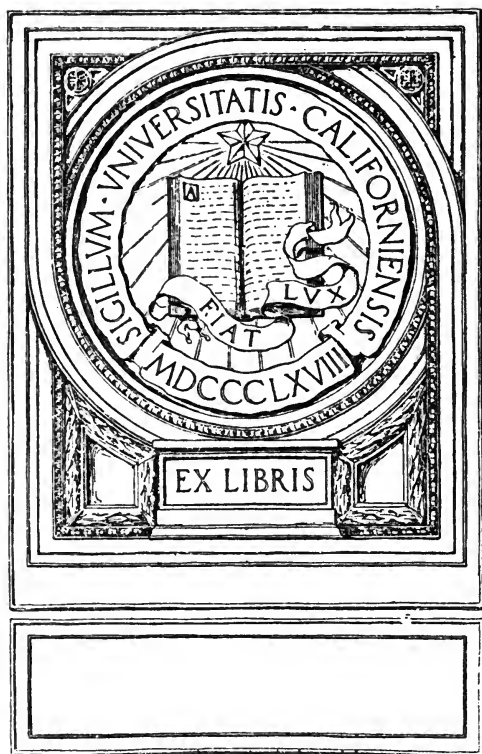
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THE
HISTORY OF TAXATION
IN
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THE HISTORY

OF THE

TAXATION OF ENGLAND,

WITH

AN ACCOUNT OF THE RISE AND PROGRESS

OF THE

NATIONAL DEBT.

BY

WILLIAM TAYLER, ESQ.,

OF THE MIDDLE TEMPLE.

LONDON:

HOPE & CO., 16, GREAT MARLBOROUGH ST.

1853.

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LONDON:
HOPE AND CO.,
16, GREAT MARLBOROUGH STREET.

P R E F A C E.

IN a history embracing so large and extensive a field of research, as the finance and taxation of this great commercial country, a resort to the principal historical works, containing the records of the public and political state of the kingdom, from the earliest times to the present era, has been absolutely necessary. But the fact that the number of volumes consulted amounts to many hundreds of itself, renders continual reference to them impossible; and even the mere enumeration of their names would form a long catalogue, unduly swelling the limits proposed for this work. In every point, however, of material importance, the name of the authority is given in the body of the text, or subjoined in the margin.

The records from which the earlier periods of the history, to the time of the revolution in 1688, forming the first part, have been obtained and found in the learned works and high authorities of Selden, Hume, Bracton, Fleta, Rymer, Strype, the MSS. of Lord Halifax, and the Parliamentary History; (the latter alone a most valuable work, and containing in itself a complete account of British History) together with many others.

The second part, containing the financial history of the subsequent reigns, and comprising the rise and extraordinary progress of the National Debt, the most eventful periods of our times during the wars of George III., and the leading opinions of our statesmen, from the time of Walpole and Pitt to the late Chancellor of the Exchequer, under Lord Derby's ministry, have been mainly compiled from the Parliamentary records and returns, from Hansard's Debates, the annual records contained in Dodsley, Sir John Sinclair's, as well as

numerous other historical and political works on the subject of finance.

The order and intention of the work has been to show the dawn and germ of those taxes, popularly known as excise, customs, stamps, &c., which, although taking their rise in earlier times from very small beginnings, have yet formed such powerful resources to the revenue of this country in modern days ; and have resulted in a taxation totally unknown in any other age, and unexampled in the history of nations.

Besides this, it has been endeavoured to trace out systematically and progressively, in order of time, the origin of the various imposts and expedients by assessments of property and income, which have been resorted to by different ministers for the service of the state ; and the expulsion from the statute-book of others, which from their character or injustice have become detrimental to the public welfare ; and especially and prominently to place before the nation the opinions which have been given by, and have guided the measures of, that phalanx of great statesmen, who have devoted their energies and talents to the great subject of finance for the benefit of their country ; and finally to advocate, in this our great day of national prosperity, a complete and entire revision of our present system of taxation, and to impress on the legislature the paramount necessity of attention to the reduction of the public debt.

It is only necessary to add that, in a work so essentially one of compilation, it has been found impossible to preserve a strict quotation from the numerous books, documents, and speeches of various statesmen consulted and before adverted to ; it having been rather sought to correct these *disjecta membra* ; and to weave them into one continuous narrative ; and it only remains for the author and compiler generally thus to acknowledge his extensive obligations to the works referred to.

CONTENTS.

PART I.

William the Conqueror, 1066, to the Revolution, William III., 1688.

History of the early taxation of England under the Norman Kings:—Nature of the revenues obtained and their produce; an account of the nature of feudal taxation; of aids, benevolences, and other sources from which money was obtained:—The progression of taxation in the succeeding reigns of the Tudors and Stuarts:—Historical account of the origin of the various taxes, of excise, and customs:—Rise of the taxes of tonnage and poundage:—Revenues obtained in the reigns of Elizabeth, James I., and his successors, to the Revolution of 1688.

PART II.

William III., 1688, to Queen Victoria, 1853.

History, rise and progress of the National Debt:—Taxation under and sources of revenue of William III., Anne, George I., II., III.:—Cause, effect and increase of the great taxation under the latter monarch:—Financial plans of Walpole and Pitt:—System of loans adopted by the latter Minister:—Large amounts obtained:—History and progress of the Sinking-fund:—Continuation of the History of Finance under the succeeding reigns of George IV., William IV., and her present Majesty, prominently from the close of the war in 1815 to the present time:—Account of the heavy incubus of public debt and taxation existing at the close of the war:—Small progress made in the reduction of the debt:—Remission of taxation from time to time:—Statements of the several Chancellors of the Exchequer, at different periods, and opinions of the various great Statesmen who have taken up the subject of finance, from the time of Mr. Pitt—including Lord Henry Petty, afterwards Marquis of Lansdowne, Mr. Spencer Perceval, Mr. Vansittart, Mr. Goulburn, Sir Robert Peel, Mr. Baring, Mr. Spring Rice, Mr. Robinson, Lord Althorp, Sir Charles Wood, and Mr. D'Israeli:—Statement of the number of effective and non-effective forces of the armies of the military nations of Europe and America, on the authority of Sir John Hobhouse, in 1833, and the expenditure incurred on their account:—History of the imposition of the property and income tax in 1842:—Of the new tariff and change in our commercial system, by the adoption of free-trade measures, and of the changes intended to be effected by Mr. D'Israeli, under the conservative ministry of the Earl of Derby.

RESUMÉ

Of the foregoing History of Taxation, containing succinct accounts of the changes which have taken place in taxation:—Statistics of

various subjects connected with finance :—Advocacy of a thorough revision of taxation, and the establishment of a more perfect and general system of direct taxes, and of the gradual and permanent reduction of the public debt ; with practical suggestions for such revision, and perfecting these great national objects.

APPENDICES.

Tabular view of taxes repealed and imposed from the year 1822 to 1852, both inclusive.

Account of the total capital of the Funded and Unfunded Debt of the kingdom—at the revolution of 1688—at the accession of George II., 1727—at the peace of Paris, in 1763, in the third year of George III.—at the termination of the war with France in 1815—at the period of 1822, and its progression and state from that time to 1852 :—And an account of the respective public stocks, of which the national debt at present consists, and of loans contracted in each year, from 1793 to 1816, and of the stock created by these loans.

A General Financial Account of Public Income and Expenditure of the United Kingdom, in the year ending 5th January, 1852.

Derivative accounts referred to in the general account above.

PUBLIC INCOME.

1. Net produce of the Customs, noting whereof they respectively consist, and the amounts which each article produces, as revised and established by the new tariff.
2. A similar account as to the revenue of the Excise.
3. Stamps.
4. Land and assessed taxes.
5. Post-Office revenue.
6. Duties on pensions.
7. Under the head of " Other Resources."

PUBLIC EXPENDITURE.

8. Account of the costs of collection of the revenue, and its rate per cent. on the gross receipts.
9. The same under the head of " Other Payments " out of Public Income, in its progress to the Exchequer.
10. Account of sums paid for the management of the Public Funded Debt.
11. Account of the Civil List and Annuities to the Royal Family.
12. Annuities and Pensions, and to whom granted.
13. Salaries and Allowances.
14. Diplomatic Salaries and Pensions, and to whom paid and granted.

15. Expenses of Courts of Justice, and the detail how expended.
16. Miscellaneous allowances.
17. Account of the sums voted for the Army, Navy, and Ordnance.
18. Account of the Civil Services charged on annual grants of Parliament.

List of persons and parties from the time of Queen Anne to Queen Victoria, whose names, speeches, and opinions, are referred to.

Sir Robert Walpole	Mr. Hume
Sir Dudley Carlton	Mr. James
Sir John Barnard	Sir Robert Peel
Mr. Speaker Onslow	Sir Henry Parnell
Lord Hervey	Mr. Robinson
Mr. Pelham	Mr. Canning
Mr. Dundas	Duke of Wellington
Rt. Hon. Wm. Pitt	Mr. Goulburn
Sir Grey Cooper	Sir Charles Long
Mr. Fox	Earl of Aberdeen
Mr. Sheridan	Sir James Graham
Mr. Hussey	Viscount Althorp
Lord Holland	Mr. Poulett Thomson
Lord Hawkesbury	Lord Goderich
Mr. Grenville	Duke of Richmond
Lord Castlereagh	Sir John Sebright
Sir Edward Hartopp	Marquis of Chandos
Mr. Lee	Earl Grey
Mr. Addington	Sir John Hobhouse
Lord Henry Petty	Mr. Herries
Sir George Grey	Sir John Newport
Mr. Gladstone	Mr. Ward
Lord Ashburton	Mr. Ashhurst
Mr. Buckingham	Viscount Lowther
Lord Sidmouth	Lord Howick
Mr. Whitbread	Sir Edward Knatchbull
Mr. Baring	Mr. Maberley
Mr. Vansittart	Mr. Home Drummond
Mr. Huskisson	Mr. Bankes
Mr. Tierney	Mr. Lyttleton
Mr. Burke	Mr. Vesey Fitzgerald
Mr. Grant	Mr. Wilmot Horton
City of London celebrated petition for the abolition of the Property Tax in 1816	Sir M. W. Ridley
Mr. Brougham	Mr. Stanley
Marquis of Lansdowne	Viscount Melbourne
Sir Wm. de Crespigny	Lord Sandon
Mr. Grenfell	Lord John Russell
Lord Grenville	Lord George Bentinck
Mr. John Smith	Sir Charles Wood
Lord Darnley	Lord Stanley
Earl of Liverpool	Marquis of Salisbury
	Lord Redesdale
	Mr. D'Israeli



T A B U L A R V I E W
OF
TAXES REPEALED AND IMPOSED,
FROM THE YEARS 1822 TO 1851,
BOTH INCLUSIVE.

TABULAR VIEW

OF

TAXES REPEALED AND IMPOSED,

FROM THE YEARS 1822 TO 1851, BOTH INCLUSIVE.

[From a Return under order of the House of Commons, March 12, on motion of Mr. Cardwell.]

	£	<i>Taxes repealed or reduced.</i>	£	<i>Taxes Imposed.</i>
1822.		Tonnage on Shipping 152,963	1822.	
		Malt . . . 1,429,000		
		Hides and Skins . . 304,000		
		Hearth Money, Ireland 38,000		
		Window Light, ditto 200,000		
			2,123,963	
1823.		Barilla . . . 64,727	1823.	Stamps, Chancery 14,796
		British Goods im-ported to Ireland } 75,791		
		Other Customs Duties 70,589		
		Salt . . . 1,403,000		
		Assessed Taxes . . 2,220,063		
		Do. do. Ireland 163,080		
			3,997,250	

1834. Currants . . .	155,537	1834. Woollen Goods exported	17,394
Raisins . . .	46,302	Retail Spirit Licences	175,000
Coals exported . . .	58,671		<hr/>
Starch . . .	91,000		192,394
Spirits for Consumption in Ireland } Assessed Taxes . . .	408,000 1,222,295		
	<hr/>		
1835. Coffee, British Post-sessions } Spirit Licences . . .	31,877 33,000	1835. Postage, Ship Letters . . .	5,500
Flint Glass . . .	98,000		
	<hr/>		
1836. Sugar, East India . . .	39,470	1836.	3,911
Pepper . . .	59,010		
Paper and Paper Hangings } Spirit Licences . . .	394,500 142,000		
Newspaper Stamps . . .	309,000		
	<hr/>		
1837.	943,980	1837.	630
1838.	234	1838.	8,423
1839. Stage Coaches . . .	289		
1840. Postage . . .	56,308	1839.	
	1,240,000	1840. Customs, 5 per cent.	1,060,226
		Excise, 5 per cent.	438,000
		Ditto Spirits . . .	344,000
		Assessed Taxes, 10 } per cent.	311,477
		Postage, abolition of } Franking	118,567
			<hr/>
			2,272,270

1847. Woods from Foreign Countries	243,085	1847.	.	.	.	.	.
Sugar and Molasses	53,152		.	.	.	.	.
Rum	46,974		.	.	.	.	.
	<hr/>	343,211					
1848. Copper Ore	35,745	1848.	.	.	.	.	184.
Rum, British possessions	69,353		.	.	.	.	.
Sugar and Molasses	258,854		.	.	.	.	.
Wood, Foreign	215,028		.	.	.	.	.
	<hr/>	578,980					
1849. Sugar and Molasses	355,257	1849.	.	.	.	.	.
Oil and Sperm	29,327		.	.	.	.	.
	<hr/>	384,584					
1850. Sugar and Molasses	331,073	1850.	.	.	.	.	.
Stamps	520,000		.	.	.	.	.
Bricks	456,000		.	.	.	.	.
	<hr/>	1,307,073					
1851. Window Duty	1,878,800	1851. Inhabited House Duty	.	.	.	.	600,000
Coffee	149,161		.	.	.	.	.
Sugar and Molasses	359,804		.	.	.	.	.
Wood and Timber } Foreign	292,029		.	.	.	.	.
	<hr/>	2,679,864					
Total Taxes repealed or reduced	£38,995,107	Total taxes imposed	.	.	.	.	£10,357,955

NOTE.—The taxes repealed or reduced from 1816 to 1822 will be found on reference to ante page 81.

It, therefore, appears by the financial statements of taxes repealed, reduced, and imposed, that the public taxation has been diminished, from the years 1822 to 1851, to the extent of £39,000,000, and that the largest reductions took place in 1830, when the beer duties were repealed, in 1845 when the sugar duties were partially remitted, and in 1851, when the window-tax was taken off; and that the years when the largest new taxes were imposed was in 1840, when the new postage system came into operation, and in 1842, when the property and income tax was established, under Sir Robert Peel's administration.

AN ACCOUNT OF THE TOTAL CAPITAL OF THE FUNDED AND UNFUNDED DEBT OF THE KINGDOM, FROM 1688 TO 1852.

The National Debt, at the time of the Revolution in 1688, amounted to . . .	£	s.	d.
At the accession of George II. in 1727 . . .	1,054,925	0	0
At the peace of Paris in 1763, in the third year of His Majesty George III. . .	52,000,000	0	0
At the termination of the war with France, as made up for the Financial year ending the 1st of February, 1816, the Public Funded Debt as returned by the State Papers to Parliament, was . . .	140,000,000	0	0
And on account of Unfunded Debt and Demands outstanding on 5th January, 1816 . . .	792,033,426	10	6 $\frac{3}{4}$
Total . . .	48,725,359	19	5
	<u>£840,758,786</u>	<u>9</u>	<u>11$\frac{3}{4}$</u>

Besides Annuities for lives or terms of years amounting to . . .	1,662,959	1	1 $\frac{3}{4}$
The entire capital of the Unredeemed Funded Debt of Great Britain and Ireland, as returned to Parliament in 1822, was . . .	796,530,145	0	0
And the Unfunded Debt . . .	36,281,150	0	0
Total . . .	<u>£832,811,295</u>	<u>0</u>	<u>0</u>

The progression and state of the Funded and Unfunded Debt (omitting the fractional parts of a pound) since that period, is as follows:—

	Funded Debt.	Unfunded Debt.	Total.
1823	791,701,614	34,741,750	826,443,364
1824	781,123,222	32,398,450	813,521,672
1825	778,128,267	27,994,200	806,122,467
1826	783,801,740	24,565,850	808,367,590
1827	777,476,892	27,546,850	805,023,742
1828	772,322,540	27,657,000	799,979,540
1829	771,251,932	25,490,550	796,742,842
1830	757,486,996	25,609,650	783,096,646
1831	755,543,884	25,551,350	781,095,234
1832	754,100,549	25,696,000	779,796,549
1833	751,658,883	27,906,900	779,565,783

	Funded Debt.	Unfunded Debt.	Total.
1834	£743,675,299	£28,521,550	£772,196,849
1835	758,549,866	28,976,600	787,526,466
1836	761,422,570	26,976,000	788,398,570
1837	762,275,188	24,044,550	786,319,738
1838	761,347,690	24,026,050	785,373,740
1839	766,547,684	19,965,050	786,512,734
1840	766,371,725	21,076,350	787,448,075
1841	772,530,758	18,343,850	790,874,608
1842	773,068,340	18,182,100	791,250,440
1843	772,169,092	18,407,300	790,576,392
1844	769,193,645	18,404,500	787,598,145
1845	766,672,822	18,380,200	785,053,022
1846	764,608,284	18,310,700	782,918,984
1847	772,401,851	17,946,500	790,348,351
1848	774,022,638	17,786,700	791,809,338
1849	773,168,317	17,758,700	790,927,017
1850	769,272,562	17,756,600	787,029,162
1851 and up to Jan. 5, 1852.	765,126,582	17,742,800	782,869,382

The following are Capitals unredeemed of the Public Debt.

GREAT BRITAIN.		Capitals Unredeemed.		
		£	s.	d.
Due to the South Sea Company, at 3. per cent.		3,662,784	8	6½
Old South Sea Annuities	ditto	2,811,886	13	6
New South Sea Annuities	ditto	2,062,230	9	4
South Sea Annuities, 1751	ditto	465,080	11	9
Debt due to the Bank of England	ditto	11,015,100	0	0
Bank Annuities, 1726	ditto	693,530	11	0
Consolidated Annuities	ditto	371,186,783	0	1½
Reduced Annuities	ditto	116,894,452	7	0
Total, at 3 per cent.		508,791,848	1	2½
Annuities at 3½ per cent.		214,993,041	1	5
New Annuities, at 5 per cent.		430,451	8	2
Total, Great Britain		£724,215,340	10	9½
IRELAND.				
Irish Consolidated Annuities, at 3 per cent.		5,480,436	14	7
Irish Reduced Annuities	ditto	121,738	1	10
Annuities at 3½ per cent.		32,675,623	19	2
Debt due to the Bank of Ireland, at 3½ per cent.		2,630,769	4	8
New Annuities, at 5 per cent.		2,673	11	2
Total, Ireland		£40,911,241	11	5
Total, United Kingdom, on the 5th of January 1852.		£765,126,582	2	2½

The total Charge for Interest and Management of the Funded Debt on the 10th of October, 1852, was		£23,741,233	4	11
Terminable Annuities		3,791,338	17	0
		£27,532,572	1	11

On the Unfunded Debt to the same period, viz. :—Interest on Exchequer Bills		403,585	1	6
Total		£27,936,153	3	5

The result, therefore, of the above table of aggregates of funded and unfunded public liabilities shows that a debt of near 700 millions contracted in fifty-three years, viz. : from 1763 to 1816, has been reduced in thirty years of peace not quite fifty millions, being about an average reduction only of £1,700,000 per annum.

Account of Loans contracted in each year from 1793 to 1816, both inclusive, and the amount of all sorts of Stock created on account of these Loans.*

Year ending 1st February.	Amount of Loans contracted in each Year.			Amount of Stock of all kinds created.		
	£	s.	d.	£	s.	d.
1794	4,500,000	0	0	6,250,000	0	0
1795	12,907,451	2	2	15,676,525	12	5
1796	42,090,646	3	2	55,539,031	3	9
1797	42,756,196	2	0	56,915,569	1	9
1798	14,620,000	0	0	29,019,300	0	0
1799	18,000,000	0	0	35,624,250	0	0
1800	12,500,000	0	0	21,875,000	0	0
1801	18,500,000	0	0	29,045,000	0	0
1802	34,410,450	0	0	55,954,312	0	0
1803	23,000,000	0	0	30,351,375	0	0
1804	10,000,000	0	0	16,000,000	0	0
1805	10,000,000	0	0	18,200,000	0	0
1806	21,526,699	0	0	39,543,125	13	3
1807	18,000,000	0	0	29,880,000	0	0
1808	12,200,000	0	0	18,373,200	0	0
1809	12,000,000	0	0	13,693,253	10	0
1810	19,532,100	0	0	22,173,644	17	0
1811	16,311,000	0	0	19,811,107	10	0
1812	24,000,000	0	0	29,244,711	12	3
1813	27,871,325	0	0	40,743,031	0	0
1814	58,763,100	0	0	93,731,523	0	0
1815	18,500,000	0	0	24,694,830	0	0
1816	45,135,589	3	6	70,888,402	16	0
1817	3,000,000	0	0	3,000,000	0	0
Loans raised on Account of Ireland in Great Britain.	520,124,556	17	1	776,257,193	6	5
	64,750,000	0	0	103,032,750	0	0
Total sum raised Deduct sums raised on Account of Sinking Fund.	584,874,556	17	1	872,289,943	6	5
	188,522,349	19	6	302,908,955	0	0
	£396,352,206	17	7	£569,380,988	6	5

* Parliamentary Paper, No. 145, Session 1822.

Thus, it will be seen by the above table that for 400 millions, the actual amount of money obtained on loan by the nation, a sum of 569 millions of stock was created, and on what onerous terms these loans were from time to time funded. "Most of the loans," says a work on the subject,* "during the late war were funded in the same way, and some of them on still more ruinous and imprudent terms on the part of the public." Thus, according to the terms on which a loan of 18 millions was bargained for in 1795, a capital of 21 millions three per cent. stock and £4,500,000 four per cents., exclusive of a long annuity of £58,500, were assigned to the subscribers. But the terms of the loan of 13 millions negotiated in 1798 were still more extravagant: for every £100 advanced entitled the lender to £175 three per cent. stock, £20 four per cent. stock, and an annuity of 6s. for $62\frac{3}{4}$ years; or in other words, for every £100 advanced to Government it bound the country to pay an annual interest of £6 1s., exclusive of the long annuity of 6s. But no experience of the pernicious effects of this system, and no change of circumstances seems to have been sufficient to induce our Finance Ministers to abandon it. Accordingly, when a loan of the immense amount of 27 millions was bargained for in 1815, it was stipulated that every subscriber of £100 should be entitled to £174 three per cent. stock and £10 four per cent. stock, yielding together an interest of £5 12s. 4d. per cent. The improvidence of this transaction is obvious. There can be no manner of doubt that an addition of one half (or supposing one per cent.) additional interest had been required, that this loan could have been procured without an increase of capital; and by replacing this loan in a stock of four or four and a half per cent. when money became abundant in time of peace, would have thus saved many millions of capital, instead of being subjected to it and its excessive interest in all time to come.

* *Inquiries with Respect to the Influence and Operation of National Debts and Taxes.* London, 1827.

PUBLIC INCOME.—The following is a Tabular view of the Total Public Income of the Revenue of Great Britain and Ireland, in the year ending 5th January, 1852, after deducting the Repayments, Allowances, Discounts, Drawbacks, and Bounties in the nature of Drawbacks.

No. of Derivative Account, showing the details of the sources of Revenue.	HEADS OF REVENUE.	Net Receipt of Public Income.			£		
		£	s.	d.	£	s.	d.
1. 2. 3. 4. { 5. { 6. {	ORDINARY REVENUE.						
	Balances and Bills outstanding on 5th January, 1851				1,266,082	14	4½
	Customs	22,197,075	2	2			
	Excise	15,400,420	6	9			
	Stamps.	6,529,049	10	8¾			
	Taxes, Land and Assessed	3,789,983	18	3¼			
	Ditto, Income and Property	5,440,349	16	10			
	Post Office	2,422,168	4	1¼			
	One Shilling in the Pound, and Sixpence in the Pound on Pen- sions and Salaries, and Four Shillings in the Pound on						
	Pensions	4,510	8	2			
	Crown Lands	352,957	0	4½			
	Small Branches of the Hereditary Revenue	25,826	6	1			
	Surplus Fees of Regulated Public Offices	108,916	8	4	56,271,257	1	9½
					57,537,339	16	2¼
					1,371,402	7	3¼
					£56,165,937	8	11¼
	Deduct Balances and Bills outstanding on 5th January, 1852.						
	Total Ordinary Revenue						
	OTHER RESOURCES.						
	Money received from the East India Company, on account of Retired Pay, Pensions, &c., of Her Majesty's Forces serving in India, per Act 4 Geo. IV., c. 71.	60,000	0	0			
	From the Trustees of the King of the Belgians, the Amount repaid into the Exchequer for the use of the Consolidated Fund out of the Annuity granted to Prince Leopold	36,000	0	0			
	Imprest Monies repaid by sundry Public Accountants, and other Monies paid to the Public	54,297	11	9			
	Money arising from the Sale of Old Stores, &c.	413,155	16	11			
					563,453	8	8
	Total of the Public Income of the United Kingdom.				£56,729,390	17	7¼

These abstracts of Accounts of Public Income and Expenditure, and the important information contained in the Derivative Accounts following, divested of the elaborate intricacies of the public accounts, are derived from the Finance Accounts submitted to Parliament, and are so arranged as to present to the general reader a popular and comprehensive view of the subject.

PUBLIC EXPENDITURE.—The following is an Account of the Public Expenditure of the United Kingdom, exclusive of Sums applied to the Reduction of the National Debt within the same Period.

No. of the Derivative Account, showing the Details of Expenditure.	EXPENDITURE.			
	PAYMENTS OUT OF THE INCOME, IN ITS PROGRESS TO THE EXCHEQUER.			
8.	Charges of Collection	.	.	£3,936,465 9 0 $\frac{1}{2}$
9.	Other Payments	.	.	559 918 12 1 $\frac{3}{4}$
	Total Payments out of the Income in its progress to the Exchequer			4,496,384 1 2 $\frac{1}{4}$
10.	FUNDED DEBT.			
	Interest and Management of the Permanent Debt	.	.	23,829,749 3 0
	Terminable Annuities	.	.	3,784,664 9 2
	Total Charge of the Funded Debt, exclusive of the Interest on Donations and Bequests	.	.	276,144,413 12 2
11.	UNFUNDED DEBT.			
	Interest on Exchequer Bills	.	.	402,713 13 6
	Civil List	.	.	397,730 0 0
	Annunities and Pensions for Civil, Naval and Military Services, &c., charged by various Acts of Parliament on the Consolidated Fund.	.	.	378,341 13 7
13.	Salaries and Allowances	.	.	273,526 2 6
14.	Diplomatic Salaries and Pensions	.	.	152,798 7 7
15.	Courts of Justice	.	.	1,090,227 5 6
16.	Miscellaneous Charges on the Consolidated Fund	.	.	295,056 3 0
17.	Army	.	.	6,485,498 1 10
	Navy	.	.	5,849,916 16 5
	Ordnance	.	.	2,238,442 8 0
	Civil Services charged on the Annual Grants of Parliament	.	.	4,004,831 19 3
18.	Kaffir War	.	.	300,000 0 0
	Money paid to the Bank of England, &c., to supply deficiencies on the Balance reserved for Unclaimed Dividends, per Act 56, Geo. III., c. 97	.	.	18,878,689 5 6
				23,114 8 3
				£54,002,994 12 9 $\frac{1}{4}$

DERIVATIVE ACCOUNTS referred to in the preceding statements of Public Income and Expenditure, showing in detail from what sources the Revenue is derived, and the nett amount produced by every tax: and also the details and amount of Expenditure in every branch of the state.

CUSTOMS, £22,197,075 2s. 2d.

An Account of the Net Produce of the Revenue of Customs in the United Kingdom, distinguishing Great Britain and Ireland, in the year ending 5th January, 1852.

LIST OF ARTICLES.		NET PRODUCE.					
DUTIES INWARDS.		Great Britain.		Ireland.		United Kingdom.	
		£	s. d.	£	s. d.	£	s. d.
Almonds (not bitter)	.	6,692	10 2	151	18 10	6,844	9 0
Apples, Raw	.	10,881	1 3	12	16 10	10,893	18 1
Baskets	.	3,594	9 6	0	10 2	3,594	19 8
Beer, Spruce	.	4,662	0 9			4,662	0 9
Books	.	8,969	18 7	127	3 8	9,097	2 3
Boots, Shoes and Calashes.	.	3,334	12 4	0	9 10	3,335	2 2
Boot Fronts	.	5,058	3 2	0	14 1	5,058	17 3
Butter	.	166,780	0 3	0	9 10	166,780	10 1
Capers	.	2,896	18 8			2,896	18 8
Cassia Lignea	.	1,073	6 0			1,073	6 0
Cheese	.	83,225	0 3	16	10 5	83,241	10 8
Chicory, or any other Vegetable Matter applicable to the uses of Chicory or Coffee	.	2,487	4 5			2,487	4 5
China, Porcelain, and Earthenware	.	3,980	15 2	10	0 2	3,990	15 4
Clocks	.	7,673	7 4	7	11 9	7,680	19 1
Cloves	.	3,559	19 0	66	2 0	3,626	1 0
Cocoa, Cocoa Husks and Shells, and Chocolate	.	16,811	17 6	2,100	9 0	18,912	6 6
Coffee	.	435,070	8 1	9,599	11 11	444,670	0 0
Coir Rope, Twine and Strands	.	2,795	19 7			2,795	19 7

LIST OF ARTICLES.		NET PRODUCE.									
DUTIES INWARDS.		Great Britain.			Ireland.			United Kingdom.			
		£	s.	d.	£	s.	d.	£	s.	d.	
Copper Ore and Regulus . . . . .	.	2,081	16	1				2,081	16	1	
Corks, ready made . . . . .	.	5,753	1	8				5,760	0	11	
Corn, Meal and Flour . . . . .	.	373,407	17	10	131,513	6	3	504,921	4	4	
Cotton Manufactures, wholly or in part made up	.	2,073	0	2	1	16	3	2,074	16	5	
Currants . . . . .	.	356,850	2	8	1,001	10	5	357,851	13	1	
Eggs . . . . .	.	42,109	4	10				42,112	0	10	
Embroidery and Needlework . . . . .	.	10,854	16	0	4	6	9	10,859	2	9	
Figs . . . . .	.	25,015	9	11	24	16	8	25,040	6	7	
Fish, Anchovies . . . . .	.	1,577	9	10				1,577	18	3	
— of all sorts . . . . .	.	1,831	14	2	10	11	4	1,842	5	6	
Flowers, Artificial . . . . .	.	16,173	2	5	1	18	6	16,175	0	11	
Ginger, Dry . . . . .	.	5,534	5	6				5,534	5	10	
— Preserved . . . . .	.	2,858	17	3	215	9	0	2,861	13	0	
Glass Bottles, covered with Wicker, or of Green or Common Glass . . . . .	.	1,469	18	8	70	8	9	1,540	7	5	
Glass of all other sorts . . . . .	.	9,432	12	6	2	9	10	9,435	2	4	
Gloves, of Leather . . . . .	.	42,349	17	3				42,350	10	2	
Grapes . . . . .	.	1,864	0	7	50	13	3	1,914	13	10	
Hair or Goat's Wool, Manufactures of . . . . .	.	2,199	1	7				2,199	1	7	
Hams . . . . .	.	1,930	4	4	6	13	11	1,936	18	3	
Hats or Bonnets of Straw . . . . .	.	2,373	0	9	11	18	2	2,384	18	11	
Honey . . . . .	.	1,106	1	5	1	3	9	1,107	5	2	
Hops . . . . .	.	212	10	1				212	10	1	
Iron and Steel, wrought . . . . .	.	2,767	15	9	2	14	6	2,770	10	3	

No. 7.—OTHER RESOURCES, £563,453 8s. 8d.

An Account of Monies paid into the Exchequer by the East India Company for Retired Pay, Pensions, &c. in respect of Her Majesty's Forces serving or having served in India, in the Year ended 5th January, 1852.

	£	s.	d.
The monies paid into the Exchequer on the above Account amount to the Sum of	60,000	0	0
From the Trustees of the King of the Belgians	36,000	0	0

An Account of all Imprest Monies repaid by Public Accountants, and other Public Monies paid into the Exchequer, in Great Britain, in the Year ended 5th Jan., 1852.

The Right. Hon. the Chancellor of the Exchequer, Money received from sundry Persons unknown, for Conscience sake	523	5	9
Francis Watts, Esq., Superintendent, on account of the Gross Income of the London Gazette	13,932	6	10
W. H. Laurie, Esq., Keeper, &c. of H. M. Gazette Office, Scotland, Amount due to 31st March, 1851	2,340	1	3
Inclosure Commissioners, Repayment of Inclosure Expenses, received per Act 8 and 9 Vict. c. 118, s. 130	3,003	12	9
Inclosure Commissioners, Repayment of Drainage Expenses, received per Acts 9 and 10 Vict. c. 101, s. 46, and 13 and 14 Vict. c. 31	8,564	3	5
Master of the Mint, Seignorage accruing upon the Coinage of Bullion at the Mint, per Act 7 Will. IV., c. 9	1,484	17	2
Master of the Mint, unappropriated Sums forming the Accumulation Fund of the Mint, per Act 7 Will. IV., c. 9	1,373	4	1
Right Hon. T. F. Kennedy, Commissioner of Woods, &c., over-issued to him on account of his Salary as Commissioner of Woods, &c.	102	1	10
Commissioners of Audit, Value of Old Paper, Boxes, &c., belonging to the Audit Office, sold, being no longer required	139	4	4
F. S. Thomas, Secretary, &c., Balance of Sales of Record Publications for the Year 1850	273	17	0
J. Woodhead, Esq., over-issued in the Quarter ended 5th July, 1851, on account of Tonnage Bounty due on the Brazilian Brig "Clementina"	528	0	0

	£	s.	d.
The Lords Commissioners of H. M. Treasury, for interest at £5 per cent. per annum on £10,050, advanced to pay the interest on £500,000, guaranteed Debentures of the Canada Loan, per Act 5 and 6 Vict. c. 118	77	1	11
Lord Hobart, Secretary, Balance of Expenses incurred by the Transatlantic Packet Station Commission, from October, 1850, to June, 1851	36	4	3
The British Linen Company, Balances remaining on several Accounts of Civil Services in Scotland, with interest; viz. Universities, &c. &c.	1,173	2	6
Comptroller of the Stationary Office, Produce of the Sale of Waste Reports, Acts of Parliament, Paper Shavings, Old Ink Bottles, &c. &c.	2,570	16	3
Paymaster-General, Rents received by Messrs. Walker and Burgess of Lands in the Channel Islands, purchased on account of Harbours of Refuge	2,934	0	2
Paymaster-General, Balance remaining in the hands of the Directors of the Equivalent Company, after winding up the Company's Affairs	263	2	10
Paymaster-General, Balances unclaimed on account of Annuities and Pensions, Courts of Justice, Diplomatic Services, &c. &c.	1,777	0	4

Abatements from Salaries, &c., per Act 4 and 5
Will. IV., c. 24.

	£	s.	d.	
Paymaster-General, for Miscellaneous Civil Services	7,650	14	1	} 8,731 12 7
Paymaster-General, for Commissariat Services	103	19	0	
Paymaster-General, from Officers of Colonial Government, Hong Kong	419	4	10	
Charles Noyes, Registrar, Office for Trade	407	3	9	
J. B. Lennard, Council Office, Whitehall	82	10	0	
Clement Johnson, Registrar of Designs	68	0	11	

	£49,827	15	3
From similar sources in Ireland	4,469	16	6
	<u>£54,297</u>	<u>11</u>	<u>9</u>

Paymaster-General, Army Extra Receipts, brought to account	£	s.	d.
	88,563	13	0
Paymaster-General, Navy Old Store and Extra Receipts	122,932	14	4
Paymaster-General, Ordnance Extra Receipts	177,100	0	2
Paymaster-General, Gain by Exchange and per centage received on Payments at Hanover	1,123	19	5
Paymaster-General, Amount of Proceeds of the Sale of Old Commissariat Stores in the Year 1849-50	3,362	7	6
Paymaster-General, Amount of Net Profits realized in the Year 1849-50 of transactions connected with raising Money for the Commissariat Chests Abroad	12,514	1	5
Paymaster-General, Produce of the Sale of Surplus Provisions, Clothing c., <i>ex</i> Convict Ships	7,559	1	1
	<hr/> <u>£413,155 16 11</u> <hr/>		

These sums of £60,000, £36,000, £54,297 11s. 9d., and £413,155 16s. 11d., constitute together the sum of £563,453 8s. 8d., comprised in the foregoing Table of Public Revenue, under the head "Other Resources."

No. 8.

CHARGES OF COLLECTION, £3,936,465 9s. 0½d.

An Account showing the Costs of Collection of the various sources of Revenue for the year ending 5th January, 1852, and the rate per cent. of Collection.

HEADS OF REVENUE.	TOTAL CHARGES OF COLLECTION.			Rate per Centum for which the Gross Receipt of £58,100,793, the total income, was Collected.		
	£	s.	d.	£	s.	d.
CUSTOMS.						
Civil Department .	858,703	4	1	5	6	3½
Harbour Vessels .	3,484	11	9			
Cruisers .	58,135	8	6			
Preventive Water Guard .	368,717	0	4			
Land Guard .	1,716	4	4			
	1,290,756	9	0			
EXCISE.						
Civil Department .	797,817	4	0½	2	2	11
Revenue Police .	51,658	11	2½			
	849,475	15	2¾			
Stamps .	144,769	3	7¼			
Taxes, under the Management of the Commissioners of Stamps and Taxes .	308,563	5	4¾			
Post-Office .	1,293,418	10	2¾	52	8	2½
One Shilling in the Pound, and Sixpence in the Pound on Pensions and Salaries, and Four Shillings in the Pound on Pensions .	86	7	10			
Crown Lands .	49,395	17	9	13	19	11
Total Charges of Collection	£3,936,465	9	0½	6	17	2

No. 9.—OTHER PAYMENTS, £559,918 12s. 1½d.

An Account of Payments out of the Public Income of the United Kingdom in the Progress to the Exchequer, other than Charges of Collection, for the year ending 5 Jan., 1852.

Heads of Revenue.

CUSTOMS:—	£	s.	d.	£	s.	d.
Quarantine and Warehousing Establishments . . .	134,052	14	6			
Payments on Account of the Difference of Trinity Light and Pilotage Dues between British and Foreign vessels .	37,450	8	0			
Compensation Allowances to Officers of the late Tax Department in Ireland, and to Naval Officers in the Coast-Guard, &c.	45,532	15	5			
Payments in Support of the Civil Government of Scotland .	95,435	17	5			
Miscellaneous Payments .	647	17	1			
	<hr/>			313,119	12	5
EXCISE:—						
Expenses of the Herring Fishery Board, and Grants under their Direction	15,000	0	0			
Compensation Allowances to Officers of the late Tax Department in Ireland, and to Naval Officers in the Coast-Guard, &c.	3,765	0	4½			
Pensions and Parliamentary Grants	9,987	8	0			
Payments in Support of the Civil Government of Scotland .	38,693	3	1			
Miscellaneous Payments .	17,233	17	10			
	<hr/>			84,679	9	3½
TAXES:—						
Augmentation of Stipends to Scotch Clergy, &c. . . .	16,955	7	8			
Sums Paid or Advanced to Commissioners of Roads . . .	5,000	0	0			
Expenses in Scotland on Account of Population Returns per Act 13 and 14 Vict. c. 53 . .	26,219	4	8			
Miscellaneous Payments .	44	15	0			
	<hr/>			48,219	7	4

Post-OFFICE :—	£	s.	d.	£	s.	d.
Sums Paid or Advanced to Commissioners of Roads	437	12	6			
Pensions and Parliamentary Grants	10,307	10	0			
				10,745	2	6
CROWN LANDS :—						
Expenses incurred in Securing and Improving Her Majesty's Woods, Forests, and Land Revenues and Ancient Stipends, and Perpetual Pensions charged thereon	103,155	0	7			
				103,155	0	7
Total Payments for National Objects				£559,918	12	1½

No. 10.—FUNDED DEBT.

Interest and Management of the Permanent Debt	23,829,749	3	0
Terminable Annuities	3,784,664	9	2
	£27,614,413	12	2

UNFUNDED DEBT.

Interest on Exchequer Bills	402,713	13	6
	£28,017,127	5	8

An Account of Sums paid for Management of the Public Funded Debt. } Payments between 5th Jan., 1851, and 5th Jan., 1852.

South-Sea Company, Interest and Management of their Debt	£	s.	d.
	276,637	13	6
Bank of England, for Interest and Management of the Stock created by Loans to Government at various periods	336,032	8	4
Bank of England, one Year's Management due 5th April, 1851, on the Capitals of the Unredeemed Debt, as it stood on the 5th April, 1850, including Annuities for terms of Years, valued at 25 years' purchase, to make a nominal Capital, as directed by Act 48, Geo. III., c. 4, viz. :			

On £600,000,000 at the rate of	£	s.	d.	£	s.	d.
£340 per million	204,000	0	0			
On £158,192,540 0s. 0½d. at the						
rate of £300 per million	47,457	15	2			
	<hr/>					
	251,457	15	2			

Deduct for payment from the Bank,
per Act 7 and 8 Vict. c. 32, s.

8, one year to 5th April, 1851 180,000 0 0

			71,457	15	2
Interest on £3 per cent. Consolidated Annuities	11,199,649	14	8		
„ „ Reduced Annuities	3,587,799	17	11		
„ „ 12 Geo. I.		21,181	5	8	
£3 5s. Annuities		7,006,881	1	2	
£5 Annuities (New)		21,553	16	0	

IRELAND.

The Bank of Ireland on their Capitals advanced for
the Public Service, per Act 3 and 4 Vict. c. 75,
and by Agreement between the Bank of Ireland
and the Treasury, under the powers given by the
said Act

			92,076	18	4
Interest on £3 per cent. Consolidated Annuities	168,968	3	1		
„ „ Reduced Annuities	3,398	19	6		
£3 5s. Annuities	1,055,845	3	10		
£5 Annuities (New)	133	13	6		

23,841,616 10 8

Deduct Interest on Stock purchased by the Com-
missioners for the Reduction of the National
Debt, on account of Donations and Bequests

11,867 7 8

Total Permanent Debt and Management .	£23,829,749	3	0
Exchequer Annuities .	£15,266	6	7
Long Annuities, expire 1860	1,221,746	5	10
Ditto, Ireland . .	73,674	18	10
Life Annuities . .	846,314	3	4
Annuities for Terms of Years	891,509	5	0
Life Annuities	109,765	7	4
Annuities for Terms			
of Years .		Savings' Banks	3,499	12 0
Irish Life Annuities, with the benefit of Survivorship granted by Acts 13 and 14, 15 and 16, 19 and 20 Geo. III. .	37,148	10	3
Bank of England, on account of the Annuity purchased of the Trustees of Naval and Military			

Pensions and Civil Superannua- tions, per Acts 4 Geo. IV., c. 22	£	s.	d.	£	s.	d.
	585,740	0	0	3,784,664	9	2

£27,614,413 12 2

Interest on Exchequer Bills charged upon credit of the aids, in the year ended 5th Jan., 1852				402,713	13	6
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£28,017,127 5 8

No. 11.—CIVIL LIST £397,730.

An Account of the Sum appropriated to the Charge of the Civil List, in the Year ended 5th January, 1852.

The Amount Appropriated out of the Consolidated Fund, in the Year ended 31st December, 1851, on account of the 1st, 2nd, 3rd, 4th, and 6th Classes	385,000	0	0
Charge in the Year ended 5th January, 1852, for Pensions granted per Act 1, Viet. c. 2. (in part £16,800 for Fourteen years ending 30th June, 1851)	12,730	0	0
	£397,700	3	0

No. 12.—ANNUITIES AND PENSIONS, £378,341 13s. 7d.

An Account of Annuities and Pensions paid out of the Consolidated Fund under various Acts of Parliament in Great Britain and Ireland, in the Year ended 5th January, 1852.
GREAT BRITAIN.

Annuities to the Royal Family :

	£	s.	d.
*His Royal Highness the Duke of Cumberland (late King of Hanover)	21,000	0	0
Her Royal Highness the Princess Mary (now Duchess of Gloucester)	16,000	0	0
The Trustees of His Royal Highness Leopold George, Prince of Saxe Coburg (now King of the Belgians)	50,000	0	0
Her Royal Highness the Duchess of Kent	30,000	0	0
His Royal Highness Prince Albert of Saxe Coburg and Gotha	30,000	0	0
His Royal Highness the Duke of Cambridge	12,000	0	0
Her Royal Highness the Princess Mary of Cambridge	3,000	0	0
Her Royal Highness the Princess Augusta, Duchess of Mecklenburgh Strelitz	3,000	0	0
Her Royal Highness the Duchess of Cambridge	6,000	0	0
	£171,000	0	0

* This Annuity, by the decease of His Majesty the late King of Hanover, no longer chargeable.

	£	s.	d.
Brought forward	171,000	0	0
Pensions for Naval and Military Services :			
Lord Rodney	1,000	0	0
Dowager Lady Rodney	1,000	0	0
Robert Viscount Duncan (now Earl of Camperdown)	2,000	0	0
Lord Abercrombie	2,000	0	0
Earl of Morley, in trust for Earl Amherst	3,000	0	0
Edward Viscount St. Vincent	3,000	0	0
Earl Nelson	2,000	0	0
Frances Elizabeth, Countess of Nelson	1,000	0	0
Hiliare, Dowager Countess of Nelson	2,000	0	0
The Duke of Wellington*	4,000	0	0
Viscount Beresford	2,000	0	0
Viscount Combermere	2,000	0	0
Viscount Exmouth	2,000	0	0
Lord Seaton	2,000	0	0
Lord Keane	2,000	0	0
The Hon. Sarah Collingwood	500	0	0
Lord Gough	1,000	0	0
Pensions for Civil Services :			
Granville Penn, Esq.	4,000	0	0
Lord Colchester	3,000	0	0
Lord Bexley	1,033	6	8
Lord Glenelg	2,000	0	0
The Right Hon. Henry Goulburn	2,000	0	0
The Right Hon. Stephen Rumbold Lushington	1,500	0	0
The Right Hon. John Wilson Croker	1,500	0	0
The Right Hon. Henry Hobhouse	1,000	0	0
The Right Hon. Sir George Clerk	1,200	0	0
William Richard Hamilton, Esq.	1,000	0	0
Robert William Hay, Esq.	1,000	0	0
Viscount Canterbury	3,000	0	0
Sir Henry Pottinger	1,500	0	0
The Trustees of the Family of the late Right Hon.			
George Canning	3,000	0	0
The Right Hon. Sir James Stephen	1,000	0	0
The Right Hon. S. M. Phillips	1,000	0	0
The Officers of the late Levant Company	328	0	0
The Officers of the late African Company	425	0	0
The Officers of the late Lottery Office	1,012	3	4
The Officers of the late Exchequer	6,660	0	0
Spencer Percival, Esq., late Teller of the Exchequer	2,700	0	0
Right Hon. Henry Ellis, late Clerk of the Pells	1,400	0	0
Office Keeper of the late Military Audit Office, Dublin	14	8	8
The Trustees of Mrs. Alicia Knipe and Children	266	18	8
Forward	245,039	17	4

* Since deceased.

	£	s.	d.
Brought forward .	245,039	17	4
Pensions for Judicial Services :			
Lord Brougham and Vaux	5,000	0	0
Lord Lyndhurst	5,000	0	0
Lord Cottenham	2,829	13	4
Lord Denman	4,000	0	0
Sir Thomas Erskine	3,500	0	0
Sir James Wigram	3,339	1	7
Sir Edward Sugden	3,692	6	0
Lord Langdale	217	5	2
The Servants of her late Majesty Queen Charlotte	2,662	16	8
The Servants of his late Majesty George III.	2,987	2	2
The Servants of her late Majesty Queen Caroline	279	12	0
Pensions formerly on the Civil List of their late Majesties George IV., William IV., Hereditary Revenues of Scotland, and 4½ per cent. Duties	57,323	7	2

IRELAND.

The Trustees of Mrs. Sarah Hamilton and Children	625	0	8
His Serene Highness the Prince of Mecklenburgh Strelitz	1,788	4	4
Viscount Duncan (now Earl of Camperdown)	997	9	0
Annuities and Compensation to sundry Persons for loss of Emoluments by the Union	2,539	8	9
Persons who suffered by the Rebellion in 1798	235	8	6
Officers, late Courts of Justice	12,847	13	8
Officers, late Irish Treasury	899	12	4
Officers, late Auditor-General's Office . .	2,698	5	4
Officers, late Military Audit Board . . .	1,542	19	0
Officers, late Board of Works	177	11	8
Annuities granted by Acts of Geo. III. . .	1,602	15	0
Pensions formerly on the Civil List . . .	16,516	3	11
	<u>£378,341</u>	<u>13</u>	<u>7</u>

No. 13.—SALARIES AND ALLOWANCES,
£273,526 2s. 6d.

An Account of the Salaries and Allowances paid out of the Consolidated Fund, under various Acts of Parliament, in the Year ended 5th January, 1852.

	£	s.	d.
The Right Hon. Charles Shaw Lefevre, Speaker of the House of Commons	5,000	0	0
The Chairman of the Board of Commissioners for Auditing Public Accounts	1,500	0	0
The Commissioners of ditto ditto	6,000	0	0
Salaries and Contingencies in the Office of ditto	42,331	11	5
To pay the Salaries of the Ecclesiastical Establishment in the West Indies	20,300	0	0
Salaries formerly charged on the Hereditary Revenues of Scotland	6,124	2	4
Dr. G. Cursham, Inspector of Anatomy in England	100	0	0
Dr. J. Bacot, ditto ditto	100	0	0
Dr. G. Cursham and Dr. J. Bacot, Expenses of their Office	628	13	6
Dr. Andrew Wood, Inspector of Anatomy, Scotland, Salary and Expenses	162	0	0
Salaries and Contingent Expenses, National Debt Office	13,600	0	0
The Right Hon. Lord Monteagle, Comptroller-General of the Exchequer	2,000	0	0
Alfred Cops, Keeper of the Lions in the Tower of London	206	0	0
William Beresford, Keeper of the Tennis Court	83	0	0
Salaries and Expenses in the Office of the Registrar-General of Births, Deaths, and Marriages	35,685	18	9
Salaries and Expenses in the Office of the Commissioners of Tithes	14,412	19	9
J. S. Brickwood, Esq., Expenses in the Office for the Issue of Exchequer Bills for Public Works and West India Relief	1,145	0	0
Salary to the Comptroller of the Mint	289	10	0
The Librarian of the University of St. Andrew's, Compensation for the Loss of Books under the Copyright Act	630	0	0
Ditto Edinburgh, for ditto	575	0	0
Ditto Glasgow, for ditto	707	0	0
Ditto King's Inn Library, Dublin, for do.	433	6	8
Ditto Sion College, for ditto	363	15	2
Ditto Aberdeen, for ditto	320	0	0

Forward £152,697 17 7

	£	s.	d.
Brought forward	152,697	17	7
Office of Metropolitan Buildings	3,000	0	0
Inclosure Commissioners	16,677	10	8
Lunacy Commissioners, Salaries and Expenses	12,058	16	9
Salaries and Expenses of the Copyhold Commission	2,512	13	9
South-Sea Company to pay Fees on passing their Accounts, three years, to 5th January, 1851	225	0	0
W. Ley, Esq., Clerk Assistant, House of Commons	2,500	0	0
H. Ley, Esq., Second Clerk Assistant	1,000	0	0
Lord Charles Russell, Serjeant-at-Arms	1,200	0	0
J. Clementson, Deputy ditto	800	0	0
C. E. Lefroy, Esq., the Speaker's Secretary	500	0	0

IRELAND.

Salaries of the Record Branch, Paymaster of Civil Services Office	1,000	0	0
Salaries of the Inspectors of the Schools of Anatomy	470	0	0
Allowances to the President and Members of the Royal Irish Academy, towards defraying the Ex- penses of their Establishment	146	17	8
Allowances to sundry Persons under Act	1,567	17	4
Compensation to Weighmasters of Butter, for defi- ciency of Fees	2,777	15	0
Salaries and Allowances heretofore paid out of the Civil List	21,823	15	8
Salaries to the Officers of the late Irish Treasury	183	2	4
Salary of the Secretary to the Board of Education, and the Contingencies of the Board	600	14	4
Expenses of Board of Charitable Bequests	1,150	0	0
Expenses of Registrar-General of Births, Deaths and Marriages	3,463	1	5
The President, Vice-President, and Students of Maynooth College, and the Expenses of the Esta- blishment	26,360	0	0
Colleges in Ireland	20,811	0	0
	<u>£273,526</u>	<u>2</u>	<u>6</u>

No. 14.—DIPLOMATIC SALARIES AND PENSIONS, £152,798 7s. 7d.

An account of the Salaries and Pensions paid out of the Consolidated Fund, in the Year ended 5th January, 1852, for the Diplomatic Service.

SALARIES.		£	s.	d.
France	Ambassador	9,000	0	0
	Secretary of Embassy	1,037	1	7
	First Paid Attaché	400	0	0
	Second Paid Attaché	300	0	0
Ottoman Porte	Ambassador	7,000	0	0
	Secretary of Embassy	737	18	6
	Oriental Secretary	500	0	0
	Third Paid Attaché	250	0	0
	Fourth Paid Attaché	250	0	0
	Fifth Paid Attaché	250	0	0
	Sixth Paid Attaché	250	0	0
Russia .	Envoy Extraordinary and Minister Plenipotentiary	6,182	4	1
	Secretary of Legation	1,102	17	2
	First Paid Attaché	400	0	0
	Second Paid Attaché	300	0	0
Austria .	Envoy Extraordinary and Minister Plenipotentiary	1,551	2	4
	Secretary of Embassy	817	10	0
	Secretary of Legation	415	0	0
	First Paid Attaché	350	0	0
	Second Paid Attaché	139	8	6
Spain .	Envoy Extraordinary and Minister Plenipotentiary	5,900	0	0
	Secretary of Legation	550	0	0
	Paid Attaché	205	13	6
Prussia .	Envoy Extraordinary and Minister Plenipotentiary	4,090	7	0
	Secretary of Legation	886	0	0
	Paid Attaché	250	0	0
United States	Envoy Extraordinary and Minister Plenipotentiary	4,663	13	2
	Secretary of Legation	782	0	0
	Paid Attaché	35	19	1
Two Sicilies	Envoy Extraordinary and Minister Plenipotentiary	4,400	0	0
	Secretary of Legation	500	0	0
	Paid Attaché	104	3	4

Diplomatic Salaries continued.		£	s.	d.
Portugal	Envoy Extraordinary and Minister			
	Plenipotentiary	4,765	7	0
	Secretary of Legation	198	3	4
	Paid Attaché	250	0	0
Brazil	Envoy Extraordinary and Minister			
	Plenipotentiary	4,500	0	0
	Secretary of Legation	508	0	0
	Paid Attaché	250	0	0
Holland	Envoy Extraordinary and Minister			
	Plenipotentiary	2,631	8	10
	Secretary of Legation	1,358	0	0
	Paid Attaché	570	0	0
Sweden	Envoy Extraordinary and Minister			
	Plenipotentiary	1,841	12	8
	Secretary of Legation	1,265	0	0
Hanover	Envoy Extraordinary and Minister			
	Plenipotentiary	3,326	11	0
	Secretary of Legation	807	0	0
Belgium	Envoy Extraordinary and Minister			
	Plenipotentiary	3,901	7	1
	Secretary of Legation	816	0	0
	Paid Attaché	250	0	0
Denmark	Envoy Extraordinary and Minister			
	Plenipotentiary	4,108	15	9
	Secretary of Legation	750	0	0
Bavaria	Envoy Extraordinary and Minister			
	Plenipotentiary	2,852	15	0
	Secretary of Legation	1,181	0	0
Saxony	Minister Plenipotentiary	2,300	0	0
	Secretary of Legation	850	0	0
	Paid Attaché	250	0	0
Tuscany	Minister Plenipotentiary	1,006	9	0
	Secretary of Legation	890	0	0
	Paid Attaché	500	0	0
Swiss Cantons	Minister Plenipotentiary	1,868	15	0
	Secretary of Legation	695	9	3
Greece	Minister Plenipotentiary	2,800	0	0
	Secretary of Legation	650	0	0
	Paid Attaché	250	0	0
Mexico	Minister Plenipotentiary	876	16	1
	Secretary of Legation	2,380	0	0
	Paid Attaché	200	0	0
New Grenada	Chargé d'Affaires	365	0	0
Buenos Ayres	Minister Plenipotentiary	3,300	0	0
Venezuela	Chargé d'Affaires	299	0	0
Peru	Chargé d'Affaires	365	0	0
Chili	Chargé d'Affaires	365	0	0

Diplomatic Salaries continued.		£	s.	d.
Monte Video	Chargé d'Affaires	365	0	0
Sardinia .	Envoy Extraordinary and Minister			
	Plenipotentiary	4,100	0	0
	Secretary of Legation	750	0	0
	Paid Attaché	250	0	0
Wurtemberg	Envoy Extraordinary and Minister			
	Plenipotentiary	2,228	6	11
	Secretary of Legation	400	0	0
	Paid Attaché	396	16	8
Frankfort .	Envoy Extraordinary and Minister			
	Plenipotentiary	2,826	5	9
	Paid Attaché	367	0	0
Bolivia .	Chargé d'Affaires	365	0	0
Cent. America	Chargé d'Affaires	365	0	0
Total		£122,356	17	7

PENSIONS.

Sir Robert Adair	2,056	0	0
Viscount Strangford	2,056	0	0
Sir Edward Thornton	1,786	0	0
Alexander Cockburn, Esq.	1,516	0	0
John P. Morier, Esq.	1,516	0	0
Bartholomew Frere, Esq.	799	10	0
George Hammond, Esq.	1,066	0	0
The Right Hon. Henry Pierrepont	1,066	0	0
Colin Mackenzie, Esq.	886	0	0
A. S. Douglas, Esq.	706	0	0
Terrick Hamilton, Esq.	706	0	0
Viscount Ponsonby	2,125	0	0
Earl of Orford	706	0	0
E. P. Werry, Esq.	436	0	0
The Right Hon. James Talbot	131	10	0
Sir Henry Willock	346	0	0
Rev. Thomas Penrose	106	10	0
Edward James Dawkins, Esq.	786	0	0
William Turner, Esq.	900	0	0
Viscount Melbourne	1,700	0	0
Sir George Jackson	308	0	0
Lord Erskine	1,276	0	0
H. Mandeville, Esq.	900	0	0
Sir Arthur Aston	700	0	0
Lord Heytesbury	1,700	0	0
H. Hamilton, Esq.	1,300	0	0
Hon. W. F. Strangways	900	0	0
Earl of Morton	436	0	0
Sir R. Pakenham	675	0	0
W. G. Ouseley, Esq.	500	0	0
C. Bankhead, Esq.	350	0	0
Total	£152,798	7	0

No. 15.—COURTS OF JUSTICE, £1,090,227 5s. 6d.

An Account of Sums paid to Officers of Courts of Justice out of the Consolidated Fund, under various Acts of Parliament, in the Year ended 5th January, 1852.

GREAT BRITAIN.

	£	s.	d.
The Right Hon. Lord Langdale, late Master of the Rolls, to 28th March, 1851	3,344	8	11
The Right Hon. Sir John Romilly, Master of the Rolls, from 29th March, 1851	3,655	11	1
The Right Hon. Lord Cranworth, late Vice-Chancellor	4,683	18	2
The Right Hon. Sir R. T. Kindersley, Vice-Chancellor, from 27th October, 1851			
The Right Hon. Lord Campbell, Lord Chief Justice of the Court of Queen's Bench	8,000	0	0
Sir John Patteson, one of the Puisne Judges of the Court of Queen's Bench	5,000	0	0
Sir John Taylor Coleridge ditto	5,000	0	0
Sir William Wightman ditto	5,000	0	0
Sir William Erle ditto	5,000	0	0
The Right Hon. Sir John Jervis, Chief Justice of the Court of Common Pleas	7,000	0	0
Sir W. H. Maule, one of the Puisne Judges of the Court of Common Pleas	5,000	0	0
Sir Cresswell Cresswell ditto	5,000	0	0
Sir E. Vaughan Williams ditto	5,000	0	0
Sir T. N. Talfourd ditto	5,000	0	0
The Right Hon. Sir Frederick Pollock, Lord Chief Baron of the Court of Exchequer	7,000	0	0
Sir James Parke, one of the Barons of the Court of Exchequer	5,000	0	0
Sir Edward Hall Alderson ditto	5,000	0	0
Sir Thomas J. Platt ditto	5,000	0	0
Sir R. M. Rolfe ditto, to 1st November, 1850	316	1	10
Sir Samuel Martin ditto	4,683	18	2
George Bankes, Esq., Cursitor Baron	243	0	0
The Right Hon. Sir Stephen Lushington, Judge of the High Court of Admiralty	4,000	0	0
Serjeant Adams, Assistant Judge of the Court of Sessions, Middlesex	1,200	0	0
The Expenses of the Police Courts	32,884	11	8
The Expenses of the Mounted Police, the River Police, and the Police Van Service	20,000	0	0
The Expenses of the Superannuation Allowances of the late Horse and Foot Patrol	5,075	4	0

Expenses of Courts of Justice continued.		£	s.	d.
Towards the Charge of maintaining the Police of the Metropolis		73,615	13	10
The Commissioners of the Metropolitan Police		2,322	0	5
The Clerk of the Hanaper in the Court of Chancery		1,091	0	0
The Preacher of the Rolls Chapel, Expenses of the Rolls Chapel		225	0	0
Leonard Edmunds, Esq., Clerk of the Patents, Court of Chancery		400	0	0
The Clerk of the Crown, Court of Chancery		1,000	0	0
Payments to sundry Persons, being Compensation for the Loss of Fees and Emoluments:				
Court of Chancery		1,602	3	4
Court of Queen's Bench		21,812	12	4
Court of Common Pleas		7,306	7	6
Court of Exchequer		9,618	7	7
North Wales or Chester Circuit		389	15	6
North Wales or Carnarvon Circuit		97	15	4
South Wales or Brecon Circuit		24	18	8
South Wales or Carmarthen Circuit		297	9	8
Miscellaneous Services		2,656	10	2
Late Marshalsea Courts		1,112	0	0
Payments to certain Persons in the Queen's Prison		3,017	6	1
Salaries to Treasurers of County Courts		9,900	0	0
C. F. Robinson, Esq., Queen's Coroner and Attorney, and W. L. Jones, Esq., Master of the Crown Office, to be applied in aid of the Fee Fund of the Crown Office		4,454	8	5
Henry B. Swabey, Esq., Registrar of the High Court of Admiralty, for the deficiency of the Fee Fund of the Registrar's and Marshal's Office		879	7	2
Revising Barristers' Remuneration for revising Lists of Voters in England and Wales		17,850	0	0
Compensations to Persons in Courts of Requests, Insolvent Debtors' Courts, &c.		14,982	12	0
Ditto, in Palace Court and Court of Record for Manor of Peveril		7,573	9	8
Ditto, to Sundry Persons for Loss of Post Fines		—		
H. B. Ray, Esq., deficiency of Fees in Master's Offices, Court of Common Pleas		2,472	4	8
Outstanding Debts of Courts of Requests		28,000	0	0

IRELAND.

Court of Chancery:

The Right Hon. M. Brady, the Lord Chancellor	8,000	0	0
The Right Hon. T. B. C. Smith, Master of the Rolls	3,969	4	8
W. Henn, Esq., Master in Ordinary	3,309	8	0
E. Litton, Esq. ditto	2,769	4	8

Expenses of Courts of Justice continued.		£	s.	d.
W. Brooke, Esq., Master in Ordinary	.	2,769	4	8
J. J. Murphy, Esq. ditto	.	2,769	4	8
Acheson Lyle, Esq. ditto	.	2,648	3	10
H. Quinan, Esq., Examiner in Chief	.	369	5	0
W. Webb, Esq. ditto	.	369	5	0
Samuel Barrington, Esq., Accountant-General, and three Clerks	.	1,181	11	4
J. O'Dwyer, Taxing Master	.	1,000	0	0
E. Tandy, Second Taxing Master	.	800	0	0
Thomas Reilly, Third Taxing Master	.	800	0	0
F. Jackson ditto	.	400	0	0
P. Mahony, Clerk of the Crown	.	709	5	5
W. E. Porter, Clerk of Recognizances	.	365	0	0
J. O'Dwyer, Taxing Master, Rent of Office	.	206	18	8
J. M'Mahon, Deputy Keeper of the Rolls	.	75	19	5

Court of Queen's Bench :

The Right Hon. F. Blackburne, Chief Justice	.	5,074	9	4
Hon. P. C. Crampton Second Justice	.	3,725	19	4
The Right Hon. L. Perrin Third Justice	.	3,688	12	4
The Right Hon. R. Moore Fourth Justice	.	3,688	12	4
The Officers and Clerks of the Court	.	6,243	2	0
Payments to sundry Persons, being Compensation for the loss of Fees and Emoluments, Court of Queen's Bench	.	5,889	4	0

Court of Common Pleas :

The Right Hon. J. H. Monahan, Chief Justice	.	4,467	2	5
The Hon. Robert Torrens Second Justice	.	3,688	12	4
The Right Hon. Nicholas Ball Third Justice	.	3,688	12	4
The Hon. Joseph D. Jackson Fourth Justice	.	3,688	12	4
The Officers and Clerks of the Court	.	5,119	7	8
Payments to sundry Persons, being Compensation for the loss of Fees and Emoluments, Court of Common Pleas	.	2,022	12	4

Court of Exchequer :

The Right Hon. David R. Pigott, Chief Baron	.	4,612	18	8
The Hon. Richard Pennefather, Second Baron	.	3,688	12	4
The Right Hon. John Richards, Third Baron	.	3,688	12	4
The Right Hon. Thomas Lefroy, Fourth Baron	.	3,688	12	4
The Officers and Clerks of the Court	.	5,755	0	5
Payments to sundry Persons, being Compensation for the loss of Fees and Emoluments, Court of Exchequer	.	8,010	13	4
J. M'Clintock, Chief Serjeant-at-Arms, deficiency of Fees	.	1,437	12	1

Expenses of Courts of Justice continued.

£ s. d.

Miscellaneous:

Henry Collis, Taxing Officer in Common Law Business	800	0	0
William Hudson ditto	1,107	14	0
C. Blackham, Clerk to ditto	200	0	0
The Right Hon. R. Keatinge, Judge of the Prerogative Court	3,000	0	0
Sir Edward Tierney, Clerk of the Court of Errors	266	18	8
William Wynne, Esq., Commissioner of the Court of Appeals	736	14	8
W. H. Curran, Esq., Commissioner of Insolvent Debtors' Court	1,846	3	4
Ditto, for Travelling Expenses	406	8	0
H. Baldwin, Esq., Commissioner of Insolvent Debtors' Court	1,846	3	4
Ditto, for Travelling Expenses	429	14	0
Salaries and Contingent Expenses of the Insolvent Debtors' Court	3,955	14	2
Joseph Stock, Esq., Judge of the Court of Admiralty	500	0	0
32 Assistant Barristers for Counties	16,322	0	9
Registrars to the Judges	5,232	10	0
Joseph D. Mullins, Marshal of the Four Courts, Marshalsea	870	8	8
Ditto, for Contingent Expenses	603	8	6
Rev. W. B. Kirkpatrick, Presbyterian Chaplain to Four Courts, Marshalsea	36	18	4
Rev. James F. Ennis, Roman Catholic Chaplain to ditto	60	0	0
C. Benson, M.D., Surgeon and Physician to ditto	114	18	0
John O'Ferrell, Police Magistrate	800	0	0
G. B. Browne ditto	800	0	0
Lodging Money for Judges attending Assizes	1,520	0	0
Constabulary Police	542,275	19	1
Ditto, Superannuation	17,850	0	0
Repair of the Marshalsea	300	0	0
Ditto, Insolvent Debtors' Court	300	0	0
Rev. J. W. Lefanu, Chaplain of Four Courts, Marshalsea	55	7	8
Office of Clerk of the Writs and Appearances, and Seal Expenses	1,626	7	4
Registrar of Judgments, ditto	1,828	0	0
Judges attending adjourned Assizes	369	5	3
	£1,090,227	5	6
Courts of Justice, England	369,787	16	2
Ditto, Ireland	720,439	9	4
	£1,090,227	5	6

No. 16.—MISCELLANEOUS ALLOWANCES, £295,056 3s.

Miscellaneous Services paid out of the Consolidated Fund,
under various Acts of Parliament, in the Year ended 5th
January, 1852.

GREAT BRITAIN.

	£	s.	d.
To pay Interest and Sinking Fund on Russian Loan raised in Holland	89,958	8	4
To pay Interest and Sinking Fund on Greek Loan	47,541	8	8
S. Baker, et al., Annuity for building Barracks in the Regent's Park	5,400	0	0
The Commissioners of Greenwich Hospital, towards the support of the said Hospital	20,000	0	0
Secret Service, formerly charged on the Civil List	10,000	0	0
Compensation to sundry Persons, for loss of Duties on Coinage of Tin	16,683	15	0
Salary and Expenses of the General Superintendent of Turnpike Roads in South Wales	987	9	3
Paymaster-General, towards defraying Expenditure authorized by the Merchant Seamen's Fund Winding-up Act	10,000	0	0
By Payments to the under-mentioned Persons, for Bounty on Slaves and Tonnage on Slave Vessels :			
Rifleman	1,573	0	0
Kingfisher	4,863	10	0
Cygnets	374	0	0
Pluto	6,739	0	0
Waterwitch	9,258	0	0
Sealark	2,013	0	0
Firefly	6,209	10	0
Rattler	7,121	0	0
Cyclops	5,412	0	0
Cormorant	8,189	10	0
Contest	849	10	0
Flying Fish	5,481	0	0
Ranger	203	10	0
Hydra	2,147	0	0
Star	2,486	0	0
Bermuda	1,946	0	0
Hecla	7,086	0	0
Phoenix	5,940	0	0
Philomel	1,685	10	0
Teazer	935	0	0
Pantaloon	1,672	0	0
Sharpshooter	1,149	10	0
Gladiator	—		

Miscellaneous Allowances continued.				£	s.	d.
Wolverene	.	.	.	—	—	—
Southampton	.	.	.	—	—	—
Centaur	.	.	.	599	10	0
Prometheus	.	.	.	—	—	—
Penguin	.	.	.	—	—	—
Messrs. Burmester, Amount awarded by the Mixed Commission at Boa Vista, against the Captors of the Portuguese Brigantine "Leao"	.	.	.	828	19	10

IRELAND.

The Commissioners of Public Works, for the Erection of Piers and Improvement of Harbours	.	.	.	3,700	0	0
County Infirmaries	.	.	.	3,251	16	11
Commissioners of Public Works, Buildings at Maynooth	.	.	.	130	10	0
Compensation to Assistant Barristers for Registering Voters	.	.	.	2,640	15	0
				£295,056	3	0

No. 17.

ARMY, £6,485,498 1s. 10d. NAVY, £5,849,916 16s. 5d.
ORDNANCE, £2,238,442 8s.*

An Account of the Total Amount of all Sums issued from the Exchequer, in the Year ended 5th January, 1852, for the Service of the Army; distinguishing the years in which the several Sums were voted in Supply.

	£	s.	d.
Supply, Anno 1850	2,060,498	1	10
Supply, Anno 1851	4,425,000	0	0
	£6,485,498	1	10

The Same for the Navy.

Supply, Anno 1850	1,569,916	16	5
Supply, Anno 1851	4,280,000	0	0
	£5,849,916	16	5

The Same for the Ordnance.

Supply, Anno 1850	673,442	8	0
Supply, Anno 1851	1,565,000	0	0
	£2,238,442	8	0

* The details of these Accounts are very voluminous, and consist of the charges of the Land and Naval Forces of the Kingdom in every branch, the Ordnance Department of the Service, the Staff, Half-Pay and Military Pensions, Commissariat Department, Volunteer Corps, Chelsea and Kilmainham Hospitals, Military Asylum, Packet Service, &c. &c.

No. 18.—CIVIL SERVICES CHARGED ON THE ANNUAL GRANTS OF PARLIAMENT, £4,004,831 19s. 3d.

An Account of the Sums issued from the Exchequer, in the year ended 5th January, 1852, for Miscellaneous Services; distinguishing the Years in which the several Sums were voted in Supply; and also distinguishing such Payments as were not voted in Supply, but were paid out of the Aids of the Year; pursuant to various Acts of Parliament.

	SUPPLIES.									
	1848.		1849.		1850.		1851.			
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
CIVIL CONTINGENCIES	-	-	-	-	91,000	0 0	-	-	-	-
CLASS 1.										
PUBLIC WORKS AND BUILDINGS:										
Public Buildings (Repairs, &c.)	-	-	-	-	43,160	0 0	8,000	0 0	-	-
Ordinance Office, Pall Mall, additions to	-	-	-	-	11,000	0 0	-	-	-	-
Temporary Accommodation, Houses of Parliament	-	-	3,284	0 0	3,129	0 0	-	-	-	-
Rebuilding Houses of Parliament	-	-	-	-	53,610	0 0	42,000	0 0	-	-
Holyhead Harbour, Roads, &c.	-	-	2,771	0 0	50,986	11 5	29,892	16 11	-	-
Harbours of Refuge	-	-	-	-	123,068	12 1	40,617	2 1	-	-
Public Works, Ireland (Repairs)	-	-	6,233	0 0	10,167	0 0	-	-	-	-
Works and Repairs, Kingstown Harbour	-	-	-	-	4,788	0 0	8,000	0 0	-	-
Port-Patrick Harbour (Repairs)	-	-	-	-	-	-	2,187	6 9	-	-
New House of Commons, Alterations	-	-	-	-	9,400	0 0	-	-	-	-
Holyrood Palace, Fitting up	-	-	-	-	1,650	0 0	-	-	-	-
Public Works, Isle of Man	-	-	-	-	300	0 0	-	-	-	-
Record Repository	-	-	-	-	15,000	0 0	-	-	-	-
Royal Parks, Pleasure Grounds	-	-	-	-	-	-	25,500	0 0	-	-
Towards the Erection of a New Bridge at Inverness	-	-	-	-	-	-	7,000	0 0	-	-

CLASS 3.

LAW AND JUSTICE :

Law Charges, England	.	.	-	-	8,000	0	0	1,000	0	0
Mint Prosecutions	.	.	-	-	4,555	0	0	3,000	0	0
Sheriff's Expenses, Queen's Remembrancer's Office, and Salaries of the Officers of the Court of Exchequer	.	.	-	-						
Insolvent Debtor's Court	.	.	-	-	3,259	19	11	8,945	0	0
Law Charges, Scotland	.	.	-	-	6,330	0	0	2,420	0	0
Criminal Prosecutions, Ireland	.	.	-	-	45,604	0	8	44,482	10	0
Police of Dublin	.	.	-	-	38,461	17	3	11,869	3	6
In Aid of County Rates, England and Wales, and for Expense of Prosecutions	.	.	-	-	3,500	0	0	35,500	0	0
The Grants for Prisons and Convict Services were, in 1849, classed under the following heads :	.	.	-	-	5,572	10	4	240,000	0	0
General Superintendence	.	.	-	-				511	3	1
Government Prisons and Convict Establishments at Home	.	.	-	-	7,021	15	0	7,801	7	7
Maintenance of Prisoners in County Gaols and Bethlem Hospital	.	.	-	-	149,683	16	4	113,051	13	11
Expenses of Transportation	.	.	-	-	92,686	14	7	46,411	13	11
Convict Establishments in the Colonies	.	.	-	-	98,569	12	0	18,950	6	8
	.	.	-	-	69,321	3	3	41,255	16	0

CLASS 4.

EDUCATION, SCIENCE AND ART :

Public Education, Great Britain	.	.	-	-	68,000	0	0	108,019	19	3
Public Education, Ireland	.	.	-	-				40,000	0	0
Schools of Design	.	.	-	-				3,688	15	0
Professors of Oxford and Cambridge	.	.	-	-				—		
	.	.	-	-				95,000	0	0
	.	.	-	-				11,332	4	3
	.	.	-	-				2,006	0	0

THE HISTORY
OF THE
TAXATION OF ENGLAND.

William, 1066—1087.

IN the early times of British History, when Property almost exclusively consisted of Land held under the tenure of the Feudal law established by William the Conqueror, and by him handed down during the succession of Norman kingst and the existence of Feudal tenures, but little analogy (except viewed as a matter of antiquarian research,) can be supposed to exist with the Taxation of the present generation, to whom the arts of life and that high state of civilization, arising out of the prosperity and riches which have flowed into Great Britain, have rendered a large taxation (unprecedented in the history of the world) familiar.

But at the present moment, when the finances of a great nation are the all-absorbing consideration, not only of the concentrated talent of the Parliament, but also of every class of the intelligent community of the country, it will not be without its interest and advantage to trace by gradual degrees the progress of that taxation from its simple and comparatively insignificant beginning, to the development of those varied and enormous resources which have enabled us successfully to withstand the mighty armies of the Continent,

and to maintain our sway over a territory unexampled in any age for extent.

William I., with whose reign we commence, divided all the lands of England, with very few exceptions beside the Royal demesnes, into Baronies, which, with the reservation of stated revenues and payments, he conferred on the most considerable of his adventurer followers. These great Barons, holding thus their estates immediately from the Crown, shared out a great part of their lands to other foreigners who were denominated Knights or Vassals, and who paid their lord the same duty and submission both in peace and war which he himself owed to his Sovereign. The whole kingdom contained about 700 Chief Tenants, and 60,215 Knights fees.* In this reign also was made that celebrated compilation called Domesday-Book (on the model of the previous one of like character by Alfred,) which by giving the King an exact account of all the landed properties in the kingdom, became the great foundation and chart for assessing the land-tax, and indeed served also in after ages as a record of valuation, whereby to regulate taxation on the landed estates of the kingdom.

It is ascertained that this Sovereign kept possession of no less than 1,422 Manors which paid him rent either in money or cattle, or in corn or other produce of the soil:† and another historian computes that his annual fixed income was near £400,000: an enormous sum in those days, when it is considered that then a pound of silver contained three times the weight which it does at present; and also that this Prince had neither fleet nor army to support; the former being only an occasional and temporary expence, and the latter being, through the terms of their feudal tenure, maintained without any charge to him by his military vassals.

1087—1100. It would seem that in the succeeding reigns of William II. and Henry I., the same arbitrary modes of levying taxes existed; but Hume mentions of the latter monarch “that although his government *was arbitrary in England*, it was judicious and prudent, and was as little oppressive as the necessity of his affairs would permit.” Historians also mention in this reign the levying of purveyance, and that the tenants of the king’s demesne-lands were at that time obliged to supply the Court with provisions

* Order. Vital. p. 523. Secretum Abbatis, apud Selden. Titles of Honour, p. 573.

† West’s Inquiry into the manner of creating Peers, p. 24.

gratis, and on the same hard terms to furnish carriages and cattle whenever the king made a progress, as he frequently did into any of the counties. These exactions were in themselves so grievous, and also levied in so licentious a manner, that not unfrequently the farmers, when they heard of the approach of the Court, deserted their houses as if an enemy had invaded the country.*

It is also said that this Prince first changed the rent and occasional gratuities payable by his demesnes, which had been formerly levied in kind, into money, as being more easily remitted to the Exchequer; offering to us an advance, or what may be termed, a second step in the history of taxation. Of the latter of these we have an instance—in the 8th year of his reign—when, on the occasion of the marriage of his daughter, he received 3s. upon every *hyde* of land; the former is shown by the statement of historians, that, during his whole reign, he levied a constant annual tax of 12d. upon the same measure of land;† which was the first regularly established species of land tax. And as five *hydes* of land were accounted a Knight's fee, of which we have seen there were above sixty thousand in England, it necessarily follows that the annual sum raised from these 300,000 *hydes* (counting them as in round numbers,) at the above rate of one shilling each *hyde*, would amount in the whole to £15,000 of the money of that age;‡ while the same calculation would show that thrice that amount, or £45,000, was not regarded as an exorbitant impost on any special occasion.

1135—1189. *Stephen, Henry II., and Richard, 1199.*

THE historical accounts of these reigns show the same arbitrary mode of taxation; and in the reign of Henry II. we find the first record of another species of feudal tax, called scutage—being a pecuniary satisfaction, in lieu of personal attendance in knight service; and a practice was introduced by this Prince, commuting military service for money. There is reference of made in the history of the Exchequer to these scutages; and it is mentioned by Hume, that the king, with the money thus obtained, after the example of his Continental cotemporaries, made a contract with a band of those mercenary adventurers, with whom Europe then abounded, and who, by the terms of their agreement, were bound to serve as soldiers

* Chron. Sax., p. 212. Hume. † Parl. Hist. ‡ Rudborne, p. 257.

for a stipulated time to the party by whom they were paid; and that the armies thus composed, although less numerous, were more useful than when consisting of the military vassals of the Crown, in that the latter were not only more personally independent, but also could, by the terms of their tenure, be compelled to bear arms only for a certain number of days in each year, generally about 40; while the services of the mercenary troops, on the contrary, could be prolonged to any extent, depending only on the length of their employer's revenues. And here we may pause to notice the first dawn of the system of standing armies, which have since been the protection and bulwark of states and empires, and, in some instances,—as that of Napoleon in the wars which followed the French revolution,—the scourge of mankind. It was Henry, also, who first levied a tax on the moveables, or personal estates of his subjects. One such scutage, before referred to, was raised in the early part of his reign; but there is no account remaining of the amount which it produced. A second scutage was made in his fifth year, amounting to £180,000. Two years after, a third scutage was raised, at two marks for every Knight's fee. In the twelfth, two shillings in the pound for the first year, and a penny in the pound for four years after, upon *all rents and moveables*. In the fourteenth of his reign, a fifth scutage,* at a mark for each Knight's fee. In the eighteenth, a sixth (uncertain to what amount); and in his last year, another of a tenth, on all moveables, levied for the crusade.† Enormous sums seem to have been raised in the reign of Richard I.; for example, it is recorded that to pay the King's ransom, when imprisoned by the Emperor, on his way back from the Holy Land, twenty shillings upon every Knight's fee, one fourth of the rents of some Clerks [Clergy], and *all* the gold and silver contained in the treasuries of the Churches, were contributed. So much money, indeed, it is said, went out of the country through this expensive crusade, and for the King's ransom, that not one genuine coin of Richard's stamp is to be met with in the collections of numismatists.

1200—1327. *John, Henry III., Edward I., II.*

THE history of the first of these monarchs—memorable for his vices no less than for the great charter wrested from him,

* No scutage or escuage was assessed by parliament after the eighth year of Edward II., and it was expressly abrogated by the statute of 12th Charles II.

† Par. Hist.

which laid the foundation of those liberties of England, that afterwards ripened in the fulness of maturity into the Constitution of the realm under which we live; a constitution that has withstood the shocks of time, and saved this kingdom, when anarchy and desolation were predominant in surrounding nations;—affords only the same series of arbitrary imposts by the king and the opposition of the barons and clergy; and we find the same determined resistance to granting supplies which, under more popular representations, has ever been the most powerful method of regularly and peaceably admonishing an unjust sovereign of his duty, and ensuring the public execution of the laws. The rent of the crownlands, considered merely as so much wealth, independently of the heavy tallages levied at pleasure of the king, was ever a source of power and considerable influence to the crown; and particularly as it was established in these early times that the Sovereign could alienate no part of his demesne, and that if by any means alienated, he himself or his successor could at any time resume such donations:* but this law, adds the historian, was never regularly observed. Thus, happily, in the course of time, through the pressure of various circumstances, and the necessity of obtaining supplies in a more lawful manner, the crown was rendered more dependent. The principal grant to this prince was made in a convocation, approaching in its nature to a Parliament (but by what writ they were summoned is not specified), and consisted of a tax of two and a half marks upon every knight's-fee, and of the confiscations of the estates of such of the clergy as had obeyed the interdict issued against him by the Pope.

In the reign of Henry III., and the subsequent reigns of Edward I. and II., the same principles of feudal taxation existed; and, accordingly, whenever the exigencies of the state or the personal wants of the king obliged them severally to resort to the then constituted authorities of Parliament, composed of barons, bishops, abbots and priors, we find the usual grants made; as for instance, of scutages for the marriage of the king's daughters (a burthen which was annexed to their feudal tenures,) of fifteenths of all moveables granted to Henry III., for the confirmation of *Magna Charta*; and, “at the same time also,” says Matthew Paris,† “he put the citizens of London to grievous redemption; and forced the Jews to pay him a third part of what they were worth.” Thus

* *Fleta*, lib. x. cap. 8.

† *Bracton*, lib. 2. cap. 5.

again, to Edward I., in 1295, among other taxations, we find that the clergy gave a tenth, the earls, barons, knights, and others of the kingdom an eleventh, and the citizens and burgesses and "other good men of his demesnes" a seventh of their moveable goods.

Of Edward II. Mr. Tyrrel observes that in this king's reign we find few or no complaints of any taxes imposed by colour of his prerogative, contrary to law, notwithstanding the exorbitant power of the two De Spencers; but this may be owing to policy on their part, that, having made themselves so obnoxious to the nobility, they would naturally endeavour to make the common people their friends. But towards the latter end of his reign, the confiscated estates of the Earl of Lancaster and of the other attainted barons were so considerable, that though he gave away a large portion of those lands to the De Spencers and their adherents, yet sufficient still remained to the Crown to make his revenue greater than that of any of his predecessors since Henry II.

Edward III., 1327, to Henry VI., 1422.

THE reign of the first of these monarchs is ever considered, say the historians of the age, with peculiar fondness by the English people, as it was one of the longest, and most glorious that occur in the annals of the nation; and one also in which many wise laws were enacted; but they mistake indeed very much the genius of the reign, say the same authorities, who imagine that it was not extremely arbitrary. All the high prerogatives of the Crown were exerted in it to the full; not, however, without continual remonstrance and complaint thereof by the Commons; a course affording to the people at once some present degree of consolation, and the prospect of future relief, whenever their power to obtain it should suffice. Among these acts of arbitrary power, there was none more frequently resorted to by Edward than that of imposing taxes *without* consent of Parliament. Though that assembly granted the King greater supplies than had ever been obtained by any of his predecessors, his great undertakings and the necessities of his affairs obliged him to levy still more; and after his splendid successes against France had added weight to his authority, these arbitrary impositions became almost annual and perpetual. The taxes levied in his time consisted of the usual tenths and fifteenths of moveables; and in the thirteenth year of his reign a grant

of 30,000 sacks of wool, as also several other minor subsidies of the same material (which in those days was the principal staple commodity) were granted to the King, and we find again in the forty-fifth year of his reign that the Great Men and Commons granted a subsidy of £50,000: to be levied of every parish in the land, 22s. 3d.; so as the parishes of greater value should contribute rateably to those of less value; thus affording, even in this early time of taxation, a lesson which may be profitably followed as respects a justly graduated taxation. This 22s. 3d., it is added, answered not the required sum of £50,000; a proof at once of the poor state of the landed property of the country in that age, and also that land was ever considered the legitimate source of taxation. It appears from a record in the Exchequer, that in 1354, the Exports of England amounted only to £294,184 17s. 2d., the Imports to £38,790 3s. 6d., money of that time; which, says the historian, is a great balance, considering that it arose wholly from the exportation of raw wool and other rough materials.

It is curious also, as bearing upon the subject and sources of taxation, to observe the value of land in this reign. In 1326, at Tunbridge in Kent, seventy acres of arable land were worth 35s. per annum;* and in 1336 there was such plenty of corn and scarcity of money, says Knighton, that wheat was sold at London at 2s., and in 1338 at 3s. 4d. the quarter, barley at 10d., peas and beans at 1s., and oats at 10d. the quarter.

In the succeeding reign of Richard II., a similar species and mode of taxation existed as in the former reign, and there remains nothing new to record on this head, except a Capitation tax of three groats, on every person in the kingdom, male or female, of the age of sixteen, of what state and condition soever except beggars, and which was granted to defray the costs of the expedition into Brittany. This tax was also memorable as it occasioned the celebrated insurrection under Wat Tyler. The same system continued in the succeeding reign of Henry IV., with the important addition, as bearing deeply on the subject of the Property tax, lately and at the present time engaging the attention of the British Parliament, of a tax of 20d. upon every one that had lands of the amount and value of £20 a-year; and 1s. in the pound for money or goods;

* Lambard's "Perambulation of Kent."

and so upwards according to that rate: and in the thirteenth year of the same reign, a subsidy was given of 6s. 8d. upon every owner of lands of £20 a year, clear estate. Hume has stated on the subject of the succeeding monarch, Henry V.'s revenue, that all the extraordinary supplies granted by Parliament during the course of his reign, from 1413 to 1422, amounted only to seven tenths and fifteenths (about £203,000). Henry's annual income is stated to have been only £55,754 10s. 10½d.,* and the following statement of it is given, which may be interesting, as showing the sources of the royal income in that age:—

AMOUNT OF HENRY V.'S ANNUAL INCOME.

	£	s.	d.
1. Parva Custuma on Wool. . . .	3,976	1	2
2. Magna Custuma on do. . . .	26,035	18	8½
3. Parva Custuma on Goods . . .	2,438	9	1¼
4. Subsidy of tonnage and poundage .	8,237	10	9½
	40,687	19	9¼
5. Casual revenues arising from Escheats, Court of Wards, &c. .	15,066	11	1
Total, according to Rymer	£55,754	10	10¼
<i>To be added.</i>			
1. Fee Farm Rents	3,612	11	3
2. Alien Prisoners	277	5	0
3. Duchy of Cornwall	2,788	13	3
4. South Wales.	1,139	13	11
5. North Wales	1,097	17	3
6. County of Chester	764	10	2
7. Manor of Shotswick	33	6	8
8. Ireland	2,339	18	6
9. Duchy of Lancaster	4,952	13	3
10. Duchy of Aquitaine	808	2	2
11. Profits of Calais	2,866	1	0½
12. Revenue of Windsor	207	18	5
	20,888	10	10½
Total above	55,754	10	10¼
	£76,643	1	8¾

* Rymer, Vol. X.

It is recorded that Henry V. was the first monarch who had the subsidies on the exportation of wool and leather, and the duties of tonnage and poundage granted to him for life; and the account of his reign concludes with the observation that none of the princes of the house of Lancaster ventured to impose taxes without consent of parliament, they having endeavoured by such consent to strengthen their doubtful or defective title to the crown; a circumstance which by gradually transferring the power of taxation from the arbitrary will of the monarch to the hands of the people, eventually proved of exceeding advantage to the constitution.

This rule, which became fixed as a principle, could not safely be broken afterwards, even by more absolute princes. The reign of Henry VI., as respects the taxation, in nowise differed from his predecessor, except that we find mention of a species of house-tax being levied, of 16d., upon every householder within the realm; and in his twenty-seventh year, a tax entirely analogous to the property and income taxes of modern times, on a species of ascending scale, viz.: "That every person having, by free deed, copy, grant of annuity, or office, the clear yearly value of 20s. in frank tenement, should pay 6d.; and so proportionately, from 20s. to £20; from £20 to £200 yearly, 12d. in the pound; and from £200 and upwards, 2s. in every pound, as well laity as clergy: guardians of wards, men having fees, and all corporations to pay accordingly." This illustration, considering the comparison of the value of money, is nearly equivalent to the property-tax laid during the last years of the administration of Mr. Pitt; and is remarkable as being graduated to reach all incomes, from the humblest to the most affluent. Stowe remarks upon this reign, that from certain duties being granted indefinitely, instead of for a certain number of years only, they received the name of customs,—that is, usual and constant payments: to this epoch, therefore, may we trace the rise of what has become, in the present age, so large and fruitful a source of revenue.

Edward IV., 1461-1482. *Edward V.*, 1483. *Richard III.*, 1483-1485. *Henry VII.*, 1485-1509. *Henry VIII.*, 1509-1547.

EDWARD IV. had no subsidy granted him till the third

year of his reign, when the Parliament gave him an aid of £37,000, to be levied according to a certain rate ; but of which he afterwards remitted £6,000 ; in every other respect the manner of taxation remained the same as in the preceding reigns. During the time of the usurper Richard, the act against collecting benevolences (or free gifts) has this remarkable preamble, "The King remembering how the Commons of this his realm, by new and unlawful inventions and inordinate covetousness against the law of his realm, have been put to great thralldom and insupportable charges and exactions, and especially by a new imposition called a Benevolence, whereby for divers years the subjects of this land, against their wills and freedoms, have paid great sums of money, to their almost destruction, for divers and many worshipful men of this realm by occasion thereof were compelled to break up their households and to live in great poverty and wretchedness, their debts unpaid, and their children unpreferred, and such memorials as they had ordained to be done for the wealth of their souls anentised and annulled, to the great displeasure of God, and destruction of this realm. Therefore," &c., (then follows the enactment of its unlawfulness) ; but, remarks the author of the History of Croyland, "it was not very long after the passing of this act before Richard himself broke it, and the word benevolence, which had been used with so much contempt, converted itself."

Lord Bacon, in his account of the proceedings in the last parliament of Henry VII., begins with observing, "That a man may easily guess how absolute the king took himself to be with his parliament, when his creature Dudley, that was so odious to the public, was made speaker of the house of Commons." He also tells us that there were not any memorable statutes made in it, relating to public government ; and that those which were passed had still a stamp of the king's wisdom and policy,—that is, of his *craft* and *avarice*. This noble historian has given us a concise but full view of this king's unjust exactions ; that part of which, relating to the aids granted, may be interesting to the general reader, as shewing the difference of the means resorted to while England was not a commercial nation, is here given, and was in these words : "There was granted also in this parliament a subsidy both from the temporality and clergy, and yet, nevertheless, ere the year expired, there went out commissions for a general benevolence, though there were no wars, no fears. The same year the city gave 5,000 marks for confirmation of their

liberties ; a thing fitter for the beginning of kings' reigns than the latter ends. Neither was it a small matter that the mint gained upon the late statute, by the re-coinage of groats and half-groats, now twelpences and sixpences. As for Empson's* and Dudley's mills, they did grind more than ever. So that it was a strange thing to see what golden showers poured down upon the king's treasury at once. The last payments of the marriage money from Spain, the subsidy, the benevolence, the re-coinage, the redemption of the City's liberties, the casualties ; and this is the more to be marvelled at, because the king had then no occasions at all of wars or troubles. He had now but one son and one daughter unbested. He was wise ; he was of a high mind ; he needed not to make riches his glory. He did excel in so many things else save that certainly avarice doth ever find in itself matter of ambition. Belike he thought to leave his son such a kingdom, and such a mass of treasure, as he might choose his greatness where he would." In the third year of his reign a large supply was granted him for a war with France, but the value of it is uncertain. In his seventh year, a benevolence was granted by parliament for the same purpose, the remainder of which, in his eleventh year, were collected to the full. The next year he had a subsidy of £120,000 besides two-fifteenths. In his nineteenth year he had an aid of £36,000 for the dowry of his eldest daughter, then married to the king of Scots ; and in the same year a subsidy in part, from both the temporality and clergy ; nevertheless, he issued out commissions for raising a general benevolence.

Henry VIII. 15091-547.

IN this reign, as in the preceding, the usual supplies were raised by tenths, fifteenths, and benevolences ; and in the fifth year of his reign, 1513, a tax remarkable for its equalization according to the rank of the taxed, was given to the king, of which Lord Herbert of Cherbury says, " Besides this (the grant of two tenths and a fifteenth) he had a poll-tax granted him, which was, of every duke ten marks, of every earl £5, a lord £4, a knight four marks, of every man worth £800 in goods the same, of each man who had 40s. in wages, 12d., and of all who were at or above fifteen years of age 4d. How these apparently inquisitorial and direct taxes were collected, or the detail

* Impeached for malpractices in the succeeding reign.

of the means by which they were enforced, is not recorded; but it is to be presumed that the result was not very effective as regards the poorer class of the taxed, as it is mentioned in the next parliament that the Chancellor acquainted the Commons "That the money granted to the king by the last parliament was not yet fully received; and that it had been thought necessary to collect the poll-tax, he supposed not from the poor and needy, but from the rich and those that were able to pay it." On December 14th, 1544, we find a bill was brought up to the Lords for granting a subsidy of 2s. 8d. in the pound on goods, and 4s. in the pound on land, all to be paid within two years; and the clergy also granted 6s. in the pound, which bill was afterwards confirmed, (as it is stated,) as the custom *then began, by the whole parliament.*

In the seventeenth year of this king's reign, commissioners were sent into every county for levying the sixth part of every layman's goods, and the fourth of those of the clergy,—a lamentable proof of the arbitrary prerogative of the crown in this age, and of the servility or small power of the Commons. Indeed, the sums levied by this despotic prince must have been immense, when it is considered what came into his hands by the suppression of monasteries, abbeys, and hospitals. We must also, in forming our estimate of this reign, take into account the exceeding change, caused by the sudden and enormous influx of gold and silver into Europe, which resulted from the conquest of Mexico in 1519, by Hernandez Cortes, and the foundation of the kingdom of New Spain. Money thus became more plentiful, and trade more widely diffused; and to the impulse thus given to enterprise may be traced the dawn of commerce and wealth; while, from the same cause, there soon appeared more numerous armies and greater magnificence in princes and courts; and the price of provisions, as a natural consequence, became enhanced.

Edward VI., 1547—1553. Mary, 1553—1558. Philip and Mary, Elizabeth, 1558—1603.

THE short reign of Edward VI. affords nothing worthy of remark, the tonnage and poundage subsidy having been granted him in the first year thereof for his life. There is mentioned, however, a curious preamble to one of the acts passed in this reign, which, although foreign to the present

subject, is here mentioned to show that in all ages the principles of action are the same.

It is related by Strype,* in his *Annals*, that a bill was introduced into parliament, "For the pacifying of the people, and making the condition of the poor easier against graziers and gentlemen, who enclosed commons, and the rearing of abundance of cattle and corn on the land, without resorting to foreign importation;" respecting which he concludes with the remark "that the rich enclosers got the better of these good bills intended for the benefit of the poor."

The same subsidy of tonnage and poundage prevailed during the succeeding reign of Mary; but it is not a little singular that a sovereign so exceedingly despotic should in no instance have resorted to the foul means of raising supplies so common to her predecessors.

In the long and glorious reign of Elizabeth, the Commons seem to have been remarkably pliant in grants. The nation was, it is true, threatened with an invasion that endangered their very existence as a free people; when, as in all such cases, true to themselves, they rallied round the standard of their sovereign, and by their spontaneous and ready contributions, upheld the throne and the freedom of the country. A subsidy was granted of two fifteenths and two tenths, which was the same as former fifteenths and tenths, except that the tax upon goods was £3 instead of £5; and Camden writes that this large supply was granted as a compliment to the queen, on the happy turn of affairs at that time, "In consideration of her having reformed the faith; restored peace to her kingdom; rescued England and Scotland from the common enemy; refined the coin; rebuilt the navy; provided ammunition for sea and land; and, in a word, for the extraordinary care she used in France for the security of its young king, for the safety of this kingdom, and her endeavours to regain Calais:"—a catalogue of benefits truly deserving both the subsidy of her people and the eulogium of the venerable chronicler. In the year 1589, a further vast supply, as it was then considered, was granted, of three fifteenths and tenths, and two entire subsidies, besides two subsidies from the clergy of 6s. in the pound, by reason of the danger threatened by the Spanish invasion, and in the 38th of Elizabeth, 1592-3, a curious document is met with of the "queen's extraordinary charges by means of the

war moved by the king of Spain, amounting in all to £1,218,803."—This sum included the charges for the army and navy, and defence of the Low Countries for one year, viz: "For defence of the Low Countries by year £130,000." "Besides the ordinary keeping of the navy at £1,200 per month," and "For the office of ordnance £62,000." Three entire subsidies, and six fifteenths and tenths were granted on this occasion without opposition, affording evidence of the patriotism and willingness of the English people in ancient as well as in modern days, when danger of foreign invasion threatens their country, to submit to what must have been in that age enormous taxation, and when too the modern expedient of loans was unknown.

James I., 1603-1625.

IN this monarch's reign, we first meet with the principles which may be said to approximate nearer to those of modern taxation; and we also find entered in the accounts of finance and the history of this period, more minute and precise information as to the sources whence taxation sprang, and the income which it yielded. The profligacy also, and high idea of prerogative taken by this monarch, formed a source of continual contention with his parliament, while his violent and arbitrary conduct in raising benevolences and inflicting heavy fines,* often led to the refusal by the Commons of the grant of supplies; a step which necessarily caused considerable derangement of the finance of the country during his reign. These contentions between an arbitrary prince and a parliament beginning to feel its responsibilities and importance, may be considered as one of the proximate causes of that civil war and rebellion, which afterwards issued in the fall of his unfortunate son and successor, Charles I. In the commencement of the reign of James, a grant of tonnage and poundage was made, called "An act for the assigning certain sums of money for the defraying of the charges of the king's household." The tonnage was 3s. on every tun of wine imported, except sweet wines and Rhenish; upon the

* £40,000 were imposed upon the Earl of Northumberland, and the Lords Mordaunt and Stourton, who were suspected of having some knowledge of the famous Gunpowder Plot. Sir John Bennett, Judge of the Prerogative Court, was fined £20,000; and the celebrated Chancellor Bacon was sentenced to pay £40,000, which, however, was remitted.

former of which it was 6s. a tun, and upon the latter 1s. per aume. The poundage was 1s. on every twenty shillings' worth of goods or merchandize imported and exported, excepting woollen manufactures, which were free, and tin and pewter, which were to pay 2s ; a denizen was to pay for every sack of wool 33s. 4d. ; and for every two hundred and forty woollfells the same ; and for every last of hides and backs £3 6s. 8d.* These were all the supplies asked by the ministers, and granted to the king this session ; and the account of them is especially valuable, as affording a true means of ascertaining the specific sum taken as tonnage and poundage, and its application.

In the interval between this and the twelfth year of his reign, the parliament which then *began* to assert the rights of the nation more boldly, appears to have been on bad terms with the monarch, as we find repeated records of debates touching the privileges of the Commons, and on grievances ; no established council or assembly had hitherto virtually existed that could protect the people ; and accordingly the withdrawing or refusing supplies, seemed the only way of regularly and peaceably admonishing the king of his duty, and of ensuring the public execution of the laws.

From this time it may be fairly considered that parliament became the real seat of power and scene of business ; a change which will be more fully developed in the troublous times and unhappy reign of Charles I.

Some of the grievances then complained of were an imposition of 1s. on the *chalders* of sea-coals, " Imposition upon ale-houses," " Monopoly of licence of wines"—words of fearful import in the next reign. And it is in the eighth year of the reign of James I. we find the parliament engaged in negotiating for what is called the great contract with the king for the grant of a permanent income of £200,000, which the king agreed to accept in lieu of feudal tenures and prerogatives which had become intolerable to the country : a proposal, however, that, in consequence of disputes between the king and the parliament on other matters, was rendered abortive.

The poverty of the exchequer we must infer to have been extreme ; as in the twelfth year of his reign, the then chancellor of the Exchequer states, " That there was no safety to

* Statutes at large, cap. 23.

any counsel in this house (the House of Commons) whilst the motion for a supply to the king was deferred. That 1,500 poor mariners were ready to salute them every morning; others, for want of money, ready to pull off his gown. That these were not private expenses or household affairs, but for navy and forts. Dover Castle like to fall down; two or three in the Isle of Wight were in the same condition. Ireland was likely to be hazarded for want of money. The garrisons in Flushing and Brill ready to mutiny for the same cause, which are “pledges for near £700,000,” and he offered “to disclose the particulars of the debts to any member *privately*,” a mode of appeal that would in the present day be considered somewhat singular in a cabinet minister, and which would probably lead to impeachment. It would appear, however, that upon this occasion his Majesty’s faithful Commons were contumacious on account of the impositions and of the people’s grievances, and also because of some offensive words used respecting the Commons by the Bishop of Lincoln. The consequence was, that James dissolved the parliament without obtaining any supply; and it is added that, after this, the king and his ministry went on for some years and supported the court and state *without* the assistance of parliament: nor was it until the twentieth year of his reign that a new parliament was summoned.

The sale of the landed property of the crown by James I. is said to have produced the enormous sum of £775,000; which may account for the king having thus become, in great measure, independent of the parliament for resources.

In the year 1613 the produce of the customs was as follows:—

At the Port of London—

Outwards . .	£61,322	16	7				
Inwards . . .	48,250	1	9	109,572	18	4	
In all the Outports—							
Outwards . .	£25,471	19	7				
Inwards . . .	13,030	9	9	38,502	9	4	
				<hr/>			
				£148,075	7	8	

a comparison which shows very remarkably the share of commerce that has uniformly centred in the capital.*

* Sir John Sinclair’s History of the Public Revenue of the British Empire.

The amount of the king's revenue, as it stood in 1617, is thus stated:—

Of crown lands	£80,000	a year
By custom, and new impositions, nearly .	190,000	„
By wards, and other branches of revenue, besides purveyance	180,000	„
	<hr/>	
	£450,000*	

which sum the king's ordinary disbursements are said to have exceeded by £36,000.† All the extraordinary sums which James had raised by subsidies, loans, sale of honours,‡ benevolences, &c., were about £2,200,000. The extraordinary supplies granted by parliament during his whole reign amounted to not more than £630,000; which latter sum, spread over the twenty-one years of his reign, is at the rate of £30,000 a year; so that in fact the king had some reason to complain of the parsimony of his commons. “His income,” adds Sir John Sinclair, “from all these different sources, was probably about £600,000.”§ The rate of interest during this reign was 10 per cent., till 1624, when it was reduced to 8; which high interest, observes Hume, is an indication of the great profits and small progress of commerce.

Considering the heavy expenses which James incurred in taking up the cause of his son-in-law, the unfortunate Elector Palatine of Bohemia, it is matter of surprise how so small a sum could have sufficed for the expenses of the state. But that sum, adds the same celebrated writer (Sir John Sinclair), was sufficient to carry on the government of England in those days, under a frugal monarch, and in peaceful times; though very inadequate either to the splendid manner in which James wished to live, or to those plans of hostility against the house of Austria, into which the commons would willingly have plunged him.

* Sir John Sinclair's Hist. of the public revenue of the British Empire.

† Hume's History of England.

‡ Salisbury's account.

§ The sale of honours by this monarch was also a fruitful source of supply, and it is recorded that a price was affixed to each rank of noblemen. The dignities of Baron, Viscount, and Earl might be bought at the rate of £10,000, £15,000 and £20,000; and we are told of four Earls who purchased their respective patents. The price of the dignity of a Baronet was equivalent to £1,095—ninety-three of whom were created, the sale of whose patents yielded to the King £98,550—Sir John Sinclair's History, quoted in Vol. 1, Parl. Hist.

Charles I., 1625 to 1649.—Commonwealth, 1649 to 1660.

WE now approach that memorable period of our history, so fraught with instruction and melancholy retrospection, which presents the baneful effects, on the one hand, of arbitrary prerogative attempted to be unduly exercised by this insincere but otherwise virtuous and ill-judged prince; and on the other, of inexcusable violence and rebellion by the parliament, which ended in the dethronement and death of the king; a period when democratical principles ultimately subverted the government, placing a greater and more crushing tyranny in the hands of the Rump parliament, and finally ending in the powerful and energetic despotism of the protector Cromwell.

With reference to the subject on which this compilation treats, we may simply remark that, however much the writers of this period are tinged, as they unquestionably are, with the shades of party, they yet all concur in its being the age when the true principle of taxation,—that it should be with the consent of the representatives of the people,—was fully established.

In the year 1625, the king sent a message for supplies, the moderation of which appears by the speech of Sir Francis Seymour in the debates, and also from the observation of one of the members, “that the commons of England should be called upon only for a supply of £40,000, showed that the king’s necessities were great.” He also asks, what had become of the money raised by the act for the redemption of crown lands, and complains that £140,000 had been raised by places of honour, and that places of justice were sold, and serjeant’s places; on which account, together with other reasons, this very moderate request for a supply was refused; which induced the king shortly after to dissolve the parliament, and led him to resort to those arbitrary acts which subsequently placed him in fatal collision with the commons.

In 1628 began the memorable question of tonnage and poundage, by seizure under warrants and by a commission issued under the great seal by authority of the king alone, which states “that tonnage and poundage is a principal revenue of our crown, and hath been continued many ages. And if any person refuse to pay, then our will is, that the lords of the council and the treasury shall commit to prison such persons so refusing until they conform themselves.”

The custom-house officers also received orders from the council to enter into any house, warehouse, or cellar, to search any trunk or desk, and to break any bulk whatever, in default of the payment of the customs.* There was also a law of Edward II.'s, which the king sought to revive,—that whoever was possessed of £20 a year in land, should be obliged, when summoned, to appear and to receive the order of knighthood. The sum required for this rank, adds the historian, was equal to £200 in the seventeenth century; and Charles, in order to raise money, issued a commission fixing the rates of composition for what was then deemed an expensive honour: to such miserable shifts do we see this monarch reduced.

In 1634, the tax so well known as Ship-money, was enforced, which occasioned the extraordinary resistance of Hampden, and materially led to the breaking of the king's power: the principles of the impost seem not to have been intrinsically of an unconstitutional character, it being entirely expended on and for the navy of the kingdom; but it was the unconstitutional manner of enforcing it under the king's prerogative, which led to the bitter resistance of it. The amount of the whole tax was very moderate, but little exceeding £200,000; and was rated, in the first instance, on each county at a particular sum, which was afterwards assessed upon individuals. Hampden, it appears, had been rated at 20s. for an estate in Buckinghamshire; and, with a rare patriotism, arrayed himself against the whole power of the crown upon the questions as put by the king to the judges—viz.: "If it could be enforced against him, and, in his person, on the nation?" "Whether in a case of necessity for the defence of the kingdom, the king might not impose this taxation?" and, "Whether he were not sole judge of the necessity?"

Since the dissolution of the parliament in 1628, a long series of years had thus passed over, without the least mention of a parliament, or, consequently, of taxation; and, Lord Clarendon observes, "the king was resolved now to try if he could not give his people a taste of happiness, and let them see the equity of his government in a single state:" and, during all this time, up to the year 1640, the king continued to exact, under his prerogative, the preceding imposts; a breach of the constitution so self-evident, that it

* Temple, page 100.

may be safely averred, as the primary cause of the civil war which afterwards ensued.

In 1641, a proposition was made for a poll-tax to pay the armies, which is curious as regards the value set upon the respective grades and members of society. It was as follows :—

	£	s.	d.
*An English { Duke should pay	100	0	0
or { Marquis	80	0	0
Irish { Earl	60	0	0
{ Viscount	50	0	0
{ Baron	30	0	0
Baronets and Knights of the Bath	40	0	0
Knights	20	0	0
Esquires	10	0	0
Gentlemen that have £100 per annum	5	0	0
Every Bishop	60	0	0
Every Dean	40	0	0
Canon resident	20	0	0
Archdeacons	15	0	0
Chancellors and Commissaries	15	0	0
Prebendary	10	0	0
Every parson whose living is £100 per annum	5	0	0
Lord Mayor of London	40	0	0
Aldermen	20	0	0
Aldermen's Deputies	15	0	0
Common Councilmen	5	0	0
Master and Warden of the Twelve Companies	10	0	0
Every one of the livery thereof	5	0	0
Master and Warden of the other Companies, and such as have been fined for Master or Warden	5	0	0
Every one of their livery	2	10	0
Every Freeman of the Twelve Companies	1	0	0
Every Freeman of the other Companies, ex- cept Porters and Watermen	0	10	0
Every Merchant Stranger, being a Knight	40	0	0
Every Merchant Stranger at Sea	10	0	0
Every Merchant Stranger at Land	5	0	0
English Merchants at Land, not free	5	0	0
Factors	2	0	0
Handicraftsmen Strangers, per pole	0	2	0

	£	s.	d.
If Housekeepers	0	4	0
Serjeants-at-Law	20	0	0
King's Serjeants	25	0	0
King, Queen, and Prince's Counsel	20	0	0
Doctors of Law and Physic	10	0	0
If Papists	20	0	0
Every Man of £100	5	0	0
Every Man of £50 per annum	2	0	0
Every Man that can dispense £20 per annum	0	5	0

All other persons above sixteen, such as receive alms only excepted, to pay 6d. per head.

Recusants double in all.

This poll-tax was agreed to by several resolutions of the house, with some alterations, too tedious to mention, but running through all orders and degrees of men, from the highest almost to the lowest, not omitting widows, who were each to pay a third part, rated upon her husband's degree.

From this period and the commencement of the civil wars, the finances of the kingdom seem to have been in the most deplorable state; and such were the necessities of both parties, as to render requisite the coining of the plate which had been raised by subscription,* and the borrowing of the small sum of £100,000 by the commons from the city of London, at 8 per cent., for the purposes of the state.

The chief taxes in England during the commonwealth were the monthly assessments, the excise, and the customs. The assessments were levied on personal estate as well as on land†; and commissioners were appointed in each county for rating the individuals. The highest assessment amounted to

* It was ordained by the parliament, that "Whosoever should bring in any money or plate, or should furnish or maintain any horse, horsemen, and arms (for the purposes and cause of the parliament) should have their money repaid with interest at 8 per cent., and the full value of their plate, with consideration for the fashion, not exceeding 1s. per ounce."—Parliamentary History, vol. 2, p. 1364. And Lord Clarendon also informs us, "It was hardly credible what a vast proportion of plate was brought into their treasures within ten days, there being hardly men enough to receive it, or room to lay it in; and the throng being so great of the bringers, that in two days' attendance many could not be discharged of their seditious offerings." Mr. Whitlocke adds, "That the parliament was not only furnished with money by loans upon the public faith, but by the endeavours of sundry ministers and others, a great variety of money, plate, and ammunition was brought in; even by some poor women, to their wedding rings and bodkins!"

† Hume. 6 Thurloe, Vol. 7.

£120,000 a month; in Scotland they were sometimes £10,000 a month; and in Ireland £9,000. On an average calculation this tax might have afforded £1,000,000 a year. The excise, during the civil wars, was levied on bread, flesh and meat, as well as beer, ale, strong waters, and many other commodities; but after the king was dethroned, bread and flesh-meat were exempted from excise. The whole of the taxes during the period of the commonwealth might, on an average, amount to £2,000,000 a year; a sum which, though moderate, much exceeded the revenue at any former period. Yet Cromwell, nevertheless, died more than two millions in debt. The customs in England before the civil wars, are said to have amounted to £500,000 a year, and the post-office to have yielded a revenue of £10,000 a year.

Charles II. 1660.

ON the 29th of May in this year, the monarchical government of England may be said to have been renewed, as on that day both houses waited upon the king at Whitehall, his Majesty having landed at Dover on the preceding Saturday, the 26th of May: and so happy, it is related, was Charles at the event, and at the part which General Monk (afterwards Duke of Albemarle) had taken in his restoration, that he embraced and kissed him on landing. With the king's return, immediately commenced the subject of taxation; and we find that, on September 14th, Sir Heneage Finch reported from the committee to whom the subject had been referred, that the revenue of his now Majesty may be computed at £819,398, or thereabouts, which arose from—

The Customs	£400,000
„ Composition for the Court of Wards	100,000
„ Revenues of Fee Farm Rents	263,598
„ Office of Postage	21,500
„ Proceeds of Deane Forest	4,000
„ Imposition on Sea Coal imported	8,000
Wine Licences and other additions	22,300
	<hr/>
	£819,398
	<hr/>

And the report further states that the question being propounded, that the present king's revenue should be made up £1,200,000 a year, it was put, and passed in the affirmative. This amount, however, which in that day the commons

seemed to think liberal, does not appear to have been very satisfactory to the king, or sufficient for his requirements; and, indeed, when it is considered that out of this sum (which in modern days of expenditure for wars and the support of monarchy, would be considered an insignificant amount), Charles had to support the garrisons and forces of the country, the court, and members of the royal family, it would, indeed, appear to have been offered with but a sparing and niggard hand by his faithful and (at that time of retribution against the regicides) obsequious commons.

On March 1st, 1661, the king made a speech to the commons in the Banqueting House, Whitehall, concerning his necessities; whereupon they took the state of the revenue into consideration, the record of which presents the most perfect and succinct as well as curious account of the state of the Taxation, Revenue, and Expenditure of that day that can be obtained. The account is thus stated:

RECEIPTS.

Customs	£450,000
Excise	400,000
Crown Lands	100,000
Post-Office in Farm	21,500
Wine Licences	15,000
First-Fruits and Tenths	18,811
Coals	8,000
Deane Forest	1,000
Alienation	3,000
Hanaper	4,000
Post Fines	1,000
Green Wax	1,000
Issues of Jurors	1,000
Aulnage	1,000
Butlerage	500
Faculties	300
Ballast Office	600
Cornage and Pre-emption	12,000
	<hr/>
	£1,038,711
Hearth Money*	162,882
	<hr/>
	£1,201,593
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* The bill granting Hearth Money to the king laid a duty of two shillings a year on each house *for ever*.

ISSUES.

Navy, with Stores and Ordnance	£600,000
Guards	120,000
Home Garrisons	80,000
Dunkirk	113,000
Tangier, Jamaica, and East Indies	100,000
Household and Stables	150,000
Treasurer of the Chamber	30,000
Bank of Pensioners	6,000
Robes	6,000
Works	10,000
Ambassadors and their Intelligence	30,000
Privy Purse	10,000
Duke of York	40,000
Presents to Ambassadors	10,000
Judges and Justices	12,000
Secretaries of State and Intelligence	4,000
Angel Gold (for the King's Evil)	5,000
Pensions and Fees for Servants	20,000
Queen Mother	35,000
Queen Consort	40,000
Queen of Bohemia	12,000
Prince Rupert	4,000

£1,437,000*

The state of the public debt at this time (1661) affords matter of some amusement; Sir Thomas Clarges having reported the charge to be £1,300,819 8s., a debate arose thereon, which the MSS. diary gives in this manner:—"Mr. Knight first moved to raise money to pay these debts by a six months' assessment. Mr. Prynne said the poll bill had not yet raised £210,000, and moved to nominate a committee to find out some *other* way to raise money to pay the public debts. Sir John Northcote moved to borrow money of the Hollanders at 6 per cent., and give the excise for security. Mr. Stevens was for having every member examined, whether he had paid to the poll bill according to his degree

* This estimate is taken from the noble collection of MSS. relating to the Revenue and Exchequer, compiled by Charles Montagu, Lord Halifax, first lord of the treasury and chancellor of the exchequer in the reign of William III. See Ralph, vol. 1, p. 88.

and estate. Sir Wm. Morris, in a set speech, said, "The debt of the public would be like that serpent in America, which would eat a cow at a meal, and, falling asleep, the birds of prey devour him; but if they break not the bones of him, he grows as big as before: so would the debts of the nation, if not fully satisfied and paid off together; or like the woman's hen, which she roasted with a faggot, stick by stick, till the faggot was spent, and the hen still raw. But, (said he) it was fitter to do as one did in Spain to the Inquisition, who, sending to him for a dish of his pears, the man sent them the whole tree, because he would not be troubled with the Inquisition again." He concluded with moving for a year's assessment at £70,000 a month, to do it all with credit; for the City, he said, was too backward in lending money, though they had got more since the king came in than in some years before. The house having resolved itself into a grand committee on November 13th, "Mr. Knight moved to raise the money by a land-tax." "Sir John Northcote was for not paying any of Cromwell's debts, and to leave the raising money by a land-tax to the last way of all." Serjeant Maynard "moved for a land rate;" Mr. Trevor "for a monthly tax;" and Mr. Annesley "for a year's tax." Mr. Eyre "moved to raise £800,000, half by the excise, and the other half by a land rate, and all that would advance money to be allowed 8 per cent." The assessment was, after various other debates, granted to the king; but what the worthy member who indulged in a "set speech" would have said, could he have ever seen the figures which now enumerate his country's debt, is problematical; but the fair inference is, that it would have rendered him speechless.

The necessity for taxation after this would not appear to have been very urgent; for, by the royal speech on the opening of the parliament, October 19th, 1669, we find that a recess of one year, two months, and ten days had elapsed since the last parliamentary sitting; and from a new regulation of the civil list, which then took place, it appears the king's revenue was, from

Customs	£400,000
Excise	340,000
Chimney Money	170,000
Small branches	120,000
	<hr/>
	£1,030,000
	<hr/>

And a proposal was made at the council board to put the civil list on the following thrifty scheme, so as to keep the expenditure within the revenue, viz. :—

The Navy Orders	£200,000
„ Army and Garrisons	182,000
„ City of Tangier	55,500
„ Household	90,000
„ Buildings and repairs	8,000
„ Privy Purse	12,000
„ Intelligence	4,000
„ Treasury Chamber	20,000
„ Great Wardrobe	16,000
„ Pensioners	5,000
„ Jewel House	2,000
„ Office of the Ordnance, Ordinary and Extraordinary	30,000
„ Queen Consort	23,000
„ Queen Mother	40,000
„ Ambassadors, Agents, &c.	20,000
„ Foreign Ambassadors	10,000
„ The twelve Judges	12,000
„ Courts of Ludlow, and Masters of Chancery and Requests	2,500
„ Angel Gold for healing	1,200
„ Master of the Horse for horses	2,000
„ Master of the Stud Horses	500
„ Creation Money	1,500
„ Lord Privy-Seal's Diet	1,400
„ Liberates of the Exchequer	1,500
„ Dormant Privy-Seals	300
„ Chief Officers of the Falconry	4,000
Besides an allowance for keeping two casts of hawks.	
„ Harriers	700
„ Tents	500
„ Tower Expenses	768
„ Game Keepers, and Keepers of the Forests	108
„ Interest paid yearly	150,000
„ Deductions upon Farms, and for other accidents and contingencies	100,000
Total	£996,476
Remains	<u>£33,525</u>

This remainder of £33,525 to be employed for the payment of pensions. 1. To those who had a hand in the king's escape from Worcester, &c. 2. To the Coldstreamers. 3. To those who have pensions or salaries for present service. 4. To those who have grants on valuable consideration. 5. For past services. 6. For grants of mere grace.* In 1664, the king had a grant of £2,500,000; and in this year also the clergy were, for the first time, taxed by parliament, instead of the subsidies heretofore voluntarily granted by them, as a separate estate in convocation.

In 1670, on the grant of a subsidy to the king, the celebrated Lord Lucas made a speech on the second reading in the house of lords, remarkable, as showing the mode of taxation, and memorable also for its boldness, considering that Charles was present. His Lordship's address was:—"My lords, the commons have here sent us up a bill for giving his Majesty the twentieth part of our estates, at the *full* considered value; and I hear there are other bills for money also preparing, which together, according to the best computation, will amount to little less than three millions of money—a *prodigious* sum, and such that, if your lordships shall not afford relief, we must of necessity sink under the weight of so heavy a pressure;" and then with a quaint remnant of the Puritanism of the age, he proceeds:—"My lords, the Scriptures tell us that God Almighty sets bounds unto the ocean, and says unto it, 'Hither shall thy proud waves come, and no farther!' and so I hope your lordships, in imitation of the Divinity, will set some bounds, some limits, to this over liberal humour of the commons, and say to them, 'Hither shall your profuseness come, and no farther.' My lords, either your lordships can deny, or moderate, a bill for money coming in from the commons; and if you cannot, all your great estates are wholly at their disposal, and your lordships have nothing that you can properly call your own."†

During the remainder of this reign, subsidies and grants were occasionally granted to the king by the parliament, upon a scale of what would be considered in the present age as marvellous moderation, and not averaging more than a million and a half for the annual expences of the state: and which were raised from the sources and upon the prin-

* From Lord Halifax's Collection of MSS., Ralph, Vol. I.

† This speech was burnt by the hangman, and occasioned those violent controversies between the houses respecting money bills.

ciples hereinbefore quoted, as in use at this time of customs, excise, hearth-money, and some minor sources of taxation.

The authority of parliament towards the end of this reign, may be said to have become omnipotent in matters of finance and taxation ; and may be judged of from one of the several propositions made in the commons previously to the dissolution in 1681, in which it is declared that the levying money without consent of parliament is high treason ; and from another, in which they declared that whoever should lend, by way of advance, any money upon those branches of the king's revenue arising from customs, excise, or hearth-money, should be judged a hinderer of the sitting of parliament, and be responsible for the same in parliament. The whole revenue enjoyed by Charles, according to Lord Danby's account, was about £1,200,000 yearly, which was to support the whole expenses of the country and the court ; and the same authority informs us that the expenditure was at that time (1670) £1,387,770, without mentioning contingencies, which are always considerable even under the most prudent administration.

James II., 1685-1688

As if to shew the fallibility of human expectations, the historians of this time begin the reign of this bigoted and unprincipled monarch with an eulogy,—“ The king universally passed for a man of great sincerity and great honour ; and as the current of favour ran at that time for the court, men believed that his intentions were conformable to his expressions.” Addresses, it is also added, came from all quarters full of duty—nay, of the most servile adulation ; and yet, notwithstanding, within three years, through his bad faith, and the manner in which his professions were falsified by his acts, this monarch had lost a throne to himself and his descendants.

All the customs and the greater part of the excise having been settled by parliament on Charles during life, the grant of them necessarily expired at his death ; the first act, nevertheless, of James, was to issue a proclamation ordering the customs and excise to be paid as before, and this without the least authority or reference to parliament ; which, however, on its afterwards assembling, granted to him all the revenue enjoyed by the late king at the time of his demise : and on

his demanding a further supply for the navy and other purposes, they revived those duties on wines and vinegar which had once been possessed by his brother, adding also some impositions on tobacco and sugar. This grant amounted, in the whole, to about £600,000 a year; certainly a very parsimonious sum for carrying on the services of the country.

Considerable debate was excited in the parliament assembled in November, 1685, on the subject of the mode of taxation. The supply desired was £1,200,000; but such was the state of parties, that an amendment for £200,000 was supported as the proper grant; and the speeches made by several of the members afford the best evidence of the nature and amount of taxation at this period.

Sir Thomas Clarges, in his speech, says, "we have this session already given customs and excises for his majesty's life: additional duty on wines, eight years, £150,000 yearly; taxes on sugar and tobacco, eight years, £200,000 yearly; tax on linen and East India commodities, five years, £120,000 yearly; in all six millions;" and the honourable member, in the quaint language of the time, goes on to say, "Let us give little now, to have an opportunity of giving more another time; for if we give too much now, we shall have nothing left to give; and if we proceed thus, what we have will be taken from us."

"Mr. Ettrick moved for £700,000, and mentioned to have it raised upon the new buildings, which might produce £400,000, and a poll bill for the other £300,000."

Sir Richard Temple moved subsidies on land tax; but it was finally settled that the sum of £700,000 should be voted and raised on French wines; and these seem to have been the principal sources from which the revenue in *this* reign were obtained. The revenue of James amounted, according to the journals, to about £1,850,000; to which his income as Duke of York being added, made the whole amount to £2,000,000 a year; a sum, observe the historians of the time, well proportioned to the public necessities, but enjoyed by him in too independent a manner. What the chroniclers of that time would have said, or considered as *well proportioned*, in the present days of taxation, is very doubtful; but it is clear that they thought great progress had been made in improving taxation, as Somerville states that the most salutary change in the constitution of England at the Revolution, was effected by the regulations which the commons adopted with respect to the state and management of the public revenue.

William and Mary. 1688—1701.

THE uncertain and precarious mode of raising taxes in the preceding reigns, and the very jealous, and often niggardly, manner in which the supplies had been granted, had long rendered a more salutary and permanent system desirable. We may accordingly be now said to approach the first great era of modern finance ; from which time, also, we may date the commencement of that great error of creating public debt, which, progressively increasing, has produced the enormous taxation that, under the princes of the House of Hanover, has been continually called for, and as freely given with unexampled fidelity by the English people. For it is at this time that we meet with the first beginnings of that system which has led to such important results, viz., the obtaining loans on public credit: a system called for by the necessities of the nation, and baneful only in its practical effect, through the injudicious and prodigal manner in which they have from time to time been raised, and from the false principle of pledging posterity in absolute, instead of terminable, annuities. The consequence of this practice, instead of faithfully adhering to the system of gradual reduction, through the operation of a sinking-fund, has been the infliction of a continuous load of taxation on the present generation ; the gradual and permanent reduction of which, is a question with which modern statesmen have not hitherto had the courage to grapple. At this time, then, of which we are now treating—that of the Revolution—the national debt amounted to the small sum of £1,054,925. We have also an authentic account of the revenue of this period, and from what sources derived. The average returns of the four years, from 1685 to 1688, give, for

	£	s.	d.
The Customs	609,126	17	2 $\frac{1}{4}$
The Excise	610,486	10	9
The Hearth Money, about . .	200,000	0	0
The Post Office, about . . .	55,000	0	0
The Small Branches, about . .	26,350	15	5 $\frac{1}{2}$
Total	£1,500,964	3	4 $\frac{5}{4}$

In the state papers of this time it is recorded, that “ His Majesty, having been informed that the revenue of the hearth money is very grievous to the people, is therefore

willing to agree to the regulation of it, or to the taking of it wholly away," which measure appears to have obtained for William golden opinions; for we find the members agreeing to an address of thanks, as a declaration of the whole nation, for removing what Col. Birch, one of the house, denominated "that badge of slavery, the chimney money, by which a freeholder was not left in England." Happy, may we add, must that king have been, and wise the economy of such slender resources for the purposes of the state, that could enable him to make a people happy, and their representatives grateful, by such a concession.

The resources from which the customs and excise duties were principally derived, appear to have been, as in the last reign, from wine, tobacco, sugar, French linen, brandy, silks, &c.

On the 10th of May, 1689, the house, in a committee of supply, resolved, that a subsidy be granted their Majesties of 12d. in the pound, for one year, upon all lands and houses, &c., according to their intrinsic value, as likewise on all personal estates, household goods and stock excepted. This land-tax bill would not appear to have been very acceptable to the house of lords; for they appended an amendment to it, requiring that all peers should be rated for their offices and personal estates, by twenty-six of their own house therein named, or any five of them, or not otherwise; and were not to be subjected to the imprisonment of their persons; and the several rates and taxes to which the peers, by virtue of that act were liable, were to be received and paid into the Exchequer by a collector, to be nominated by themselves. Their lordships, however, on the remonstrance "That the right of granting supplies to the crown is in the commons alone, as an essential part of the constitution," receded from their pretensions.

The aids derived from these direct taxes during the reign of William and Mary, seem to have been very large; as between the periods of 1688 and 1702, a sum of no less than £19,174,059 8s. 3½d. was raised by land-taxes; by poll-tax from 1689 to 1698, £2,557,649, 7s. 7½d.; and from promiscuous taxes, £7,531,305 18s. 11¼d., in which latter sum are included on a low scale, a "duty on Stamp Paper," being the first indication of that present important branch of stamp duties, from which such large sums are derived, and which have been wisely modified under Lord John Russell's late ministry, and also duties on marriages, births, burials, bachelors, and widowers.*

* Hume.

The total sum raised for the service of the state, during the fourteen years comprised in this reign, appears to have been £72,127,508 3s. 6 $\frac{3}{4}$ d.; the public debt being then only £13,348,680 5s. 10 $\frac{1}{4}$ d, not a fourth of the present *annual Income* of the state.

Hume, in relating the financial operations of the ministry of that day, observes that in order to raise the supplies of the year, they resolved to tax all persons according to the true value of their real and personal estates, their stock upon land and in trade, their income by offices, pensions, and professions; a duty of one penny per week for one year, was laid upon all persons not receiving alms; a further imposition of one farthing in the pound per week, was fixed upon all servants receiving four pounds per annum as wages, and upwards to eight pounds a year inclusive; those who received from eight to sixteen pounds were taxed at one halfpenny per pound; an aid of three shillings in the pound for one year, was laid upon all lands, tenements, and hereditaments, according to their *true* value. Without specifying the particulars of these impositions, adds the historian, we shall only observe that on the general charge, the commons did not exempt one member of the commonwealth that could be supposed to be able to bear any part of the burden. One cannot, he continues, without astonishment, reflect upon the prodigious efforts that were made upon this occasion, or consider without indignation the enormous fortunes that were raised up by usurers and extortioners from the distresses of their country. The nation did not seem to know its own strength until it was put to this extraordinary trial; and the experiment of mortgaging funds succeeded so well, that later ministers have proceeded in the same system, imposing burden on burden, as if they thought the sinews of the nation could never be overstrained.

It may be remarked, in conclusion, as analogous to the opinion just recorded, that the proposition of a modern statesman,* to repair the dilapidated finances of recent times, is strikingly similar, when he stated that the taxes were raised in a fair and moderate proportion, upon "all the persons of the commonwealth who could be supposed to be able to bear any part of the burden;" but in considering which, he totally forgot to mention the incubus of a national debt.

* Sir Robert Peel.

PART II.

Queen Anne. 1701—1714.

One of the first acts of the parliament in this reign was to settle the civil list revenue bill, to continue for the queen's life the same revenue that had been payable to the late king ; though "many (it is said in the account given of the debate) seemed to apprehend that so great a revenue might be applied to uses not so profitable to the public, in a reign that was to be frugal." Her Majesty expressed, in her speech, a particular approbation of a bill to which she gave her assent for receiving and examining the public accounts ; but we may collect that it was a highly necessary measure, as Burnet states, "it was a chief subject of their complaints all the nation over, that the public was robbed, and that private men lived high, and yet raised large estates out of the public treasure ;" a proof that in that age, as well as in previous times, the public servants were not too immaculate.

The queen also, in her first parliament, gained great applause from the nation, as may be collected best from the words of the speech, which, nevertheless, at the same time, indicates that the people even in that day were under the impression that they were over-taxed : her Majesty says, "I return you my kind and hearty thanks for continuing to me for my life the same revenue you have granted to the king. I will take great care it shall be managed to the best advantage, and while my subjects remain under the burthen of such great taxes, I will straighten myself in my own expenses rather than not contribute all I can to their ease. It is probable the revenue may fall very short of what it has formerly produced ; however, I will give directions that £100,000 be applied to the public service this year, out of the revenue you have so unanimously given me."

The taxes in this reign were principally raised by a tax upon land of 4s. in the pound ; an excise upon malt, beer, ale, and wines ; duties on houses, chocolate, tea, spices, pictures, hawkers and pedlars, muslins, calicoes, china wares, and drugs ; and a duty of a penny stamp on every four pounds of tobacco, on East India goods, hops, candles, leather, cards and dice, and on the postage of letters. We may imagine, from the account given of it by Burnet, that this would seem to have been the golden age of finance, as

well as of poets and illustrious men ; for, in referring to the parliament of 1706, he says, " The house of commons went on in creating funds for the supplies they had voted for the next year, and the nation was so well satisfied with the government and the conduct of affairs, that a fund being created for two millions and a half by way of annuities for ninety-nine years, at $6\frac{1}{2}$ per cent., at the end of which the capital was to sink, the whole sum was subscribed in a few days." He states also that " our armies as well as our allies were everywhere punctually paid ; the credit of the nation was never raised so high in any age, nor so sacredly maintained ; and the treasury was as exact and as regular in all payments as any private banker could be : but we may learn that this prosperity was not without danger, as we find it based upon, and supported by, the currency of exchequer bills and bank notes, which had then become a favourite mode of raising money, alike easy and certain to the government, and which has had such a fatal influence in raising the system of artificial credit in our finances in after-times.

The annual amount of expenditure at this time may be considered at between £6,000,000 and £7,000,000 ; as in the early part of the year 1710, the parliament granted " for the next year's service £6,184,466 7s. ; of which £1,500,000 were raised by way of lottery, and the rest put on *good funds*."

In the tenth year of the reign of Anne, the commons had appointed a committee to examine the debts of the navy, which amounted to about £5,000,000.* This great debt upon the navy was occasioned partly by the deficiency of the funds appointed for the sea service ; but chiefly by the necessity of applying such supplies as were given without appropriating clauses, to the service abroad, where it was impossible to carry it on by credit without ready money ; so it was judged necessary to let the debt of the navy run upon credit, by which means it had risen up to so many millions, and the discount of navy bills was very high ; all this debt was thrown into one stock, amounting in the whole to £9,471,325, and a fund was formed for paying an interest or annuity of 6 per cent. till the principal should be paid, which interest amounted to the annual sum of £568,279 10s. For the raising of this sum all the duties upon wines, vinegar, and tobacco, India goods, wrought silks, whale-fins, &c., were, after the year 1716, continued for ever, and till then the par-

* Tindal.

liament was to make provision for the interest. With this fund was also granted the monopoly of a supposed trade "to the South Sea or Coast of Peru in America, the several proprietors of the navy bills, debentures, and other public securities, to be incorporated for that purpose." This latter clause is well worthy of notice, as being the origin of that notorious bubble-scheme called the South Sea company, which afterwards led to such disastrous consequences.

The report of the commissioners of public accounts in 1714, state the expences of the late war (of the Spanish succession), for twelve years, to have amounted to above 68½ millions.

George I. 1714 to 1727.

THE first act of this reign was, as usual, to determine the civil list of the king, for which the sum of £700,000 was voted as an annual income, for the service of his Majesty's household and family, and other his necessary expences and occasions; but not till after considerable debates arising from the factious state of parties that, at the close of the late and the beginning of this reign, distracted the country and embarrassed, and may indeed be said to have hastened the death of, the late queen. Public credit would seem to have received in this time (1717) a great shock, probably from the ruin which had been occasioned by the South Sea scheme; for Mr. Robert Walpole's proposal of a loan of £600,000 for the land and sea service, at 4 per cent. (which rate of interest, it is observed, gave reason to surmise that it was designed to put on the same footing the interest of all the public funds), proved ineffective, there not being more than £45,000 subscribed in three days, and which Mr. Walpole affirmed was occasioned by stock jobbers forming a combination to distress the government and ruin public credit. This corrupt but able minister was the first who attempted to grapple with the then growing incubus of a national debt; for we find in Coxe's life of Walpole, that his resignation in 1717 "happened at a time when he was exerting his abilities for finance in the arrangement of a scheme highly advantageous to the country. When he was first placed at the head of the treasury, the national debt amounted to £50,000,000; and although the common interest of money had been reduced in the late reign to 5 per cent., yet the interest of some of the debts was as high as 8, and none lower than 6; so that the average was 7 per cent. The difference between this rate of interest and that on private mortgages, presented a real fund

for lessening the public debt." "Upon these principles Walpole gave the first hint of this great scheme, by proposing to borrow £600,000, bearing interest only at 4 per cent., and to *apply all savings* arising from the intended redemption, for the purpose of reducing and discharging the national debt; which was the first resolution ever taken in parliament in order to raise or establish a general sinking fund. When he brought his scheme into the house, the project appeared so well digested and advantageous that the opposition which had been intended was converted into approbation, and every article was agreed to." The resignation of Walpole, adds the same historian, "caused a great sensation, in the house of commons, where regret for the want of his talent for finance seemed to prevail, and he was much inveighed against for resigning, as he was afterwards reviled for remaining in power." "Such was the fate," continues Coxe, "of the first attempt of an honest minister and faithful servant of the crown, to break down monopoly and establish that salutary and saving redemption of a burthened nation,—the sinking fund." The sources of taxation in this reign were similar to those of the last; and we find, after the plot and conspiracy connected with the Pretender, that a bill was submitted and carried for laying a tax of £100,000 upon the estates of papists in England, under the name of a composition for their recusancy, although it is stated by the same historian that it did not appear that any, or at least but very few, of them were engaged in this design. Several proposals were made in the year 1720 by the Bank of England and the South Sea company (the affairs of which, and the distresses arising out of the latter, occupied parliament a very considerable portion of this reign), for reducing the national debt, and which were ultimately accepted by the government of the day: these projects, although embracing various operations, were in fact the creating terminable annuities, and the adoption of other measures gradually to pay off the national debt; and the king even went the length of accepting the office of governor of the South Sea company. The fatal termination of this scheme, as well as of the Mississippi company in France, formed by the celebrated Law, which involved so many thousands in ruin and nearly caused a national bankruptcy, is well known.*

* The following account is given of John Law and the Mississippi Scheme, by Steele and Tindal:—

John Law, Esq. (one of the early friends and companions of Captain

George II. 1727-1760.

THE first act of the accession was the settling, under the motion of Sir Robert Walpole, a civil list of £800,000 a year on the king for life, being £100,000 a year more than had been granted to his predecessor; and a provision of £100,000 a year for the queen, with the royal palaces at Somerset House and Richmond Old Park for her residence, in the event of her surviving him; so liberal even were our ancestors in those days to royalty, when money was of more value, and the price of all commodities less than in the present day. The greatest financial event in this reign was the bringing forward by Sir Robert Walpole, the celebrated excise scheme, which occasioned the greatest opposition. The very excellent account of the intention of this able minister is so faithfully given by his historian, Mr. Coxe, that it cannot be better understood than by his own words; and as it corresponds much in effect with the great measures so recently perfected by Sir Robert Peel, will be interesting as bearing on the true principles of finance.

Steele,) was memorable for a fatal duel in 1694, with Beau Wilson; for which he was tried at the Old Bailey, and being convicted, received a pardon from the crown, but was detained in prison by the relations of Mr. Wilson, under an appeal. He found means, however, to escape; and going to France, became the founder of that famous Mississippi scheme. In 1721 (having pacified the surviving relations of Mr. Wilson with £100,000,) he returned to England, where he continued to reside till he received the mortifying intelligence of the confiscation of his whole property in France; but being conscious of the rectitude of his conduct in the management of the finances, and that the balance would, upon examination, be found considerably in his favour, he had good reason to flatter himself with the hopes of receiving a large sum, especially as the regent always professed a more than ordinary regard for him, and continued punctually to remit his official salary of 20,000 livres a year. But the death of his royal highness, December 2nd, 1723, was a fatal blow to the hopes of Mr. Law; who, in a memorial to the duke of Bourbon, dated October 15, 1724, calls himself a "bankrupt, not only in France but also in other countries," and states that "his children, courted by the most considerable families in France, were destitute of fortune and establishment." "I had in my power" he says, "to have settled my daughter in marriage in the first houses in Italy, Germany, and England; but I refused all offers of that nature, thinking it inconsistent with my duty to, and my affection for, the state in whose service I had the honour to be engaged." He bade a final adieu to Britain in 1725, and fixed his residence at Venice, where he concluded the chequered course of his life in a state but little removed from indigence, March 21, 1729, in his 58th year.—Steele's Correspondence, Vol. II., p. 520.—edit. 1809. The history of the South Sea scheme and of the Mississippi company in France, will be found in that interesting work, "Memoirs of extraordinary Popular Delusions," by Chas. Mackay, Esq. London, 1841.

“ One of the great principles of Sir Robert Walpole, and in which perhaps no minister ever approached him, was that of simplifying the taxes, abolishing the numerous petty complicated imposts which checked commerce and vexed the fair trader, and substituting in their stead more equal and simple taxation : the great and wisest notion of this minister was, to relieve the nation of the burthen of an excise. It was not indeed a perfect scheme at its first appearance ; but the foundation was good, and a few alterations would have rendered it a most useful institution for the purpose of national commerce. But the business of those times was not to alter, mend, or improve, but to oppose and raise a ferment.” Before proceeding, however, to develop these changes in the excise, it may be expedient to trace its history from its first introduction into England until the opening of Walpole’s scheme.

“ The first attempt to impose it was in 1626, by a commission under the great seal, issued to thirty-three lords and others ; but the parliament having remonstrated, it was judged by both houses contrary to law, and the commission was accordingly cancelled by the king. So odious was the very name, that Sir Dudley Carlton, then secretary of state, having only named it in the house of commons, with a view to shew the happiness which the people of England enjoyed above other nations in being exempted from that imposition, was suddenly interrupted, called to the bar, and nearly sent to the Tower. During the civil wars, in 1641, parliament ventured to impose an excise on beer, cyder, and perry ; but, although they pleaded absolute necessity in excuse for this expedient, and continued it only from month to month, yet the execution of it raised riots in London.”

“ Charles I., in one of his declarations, charged parliament with imposing insupportable taxes and odious excises ; he was afterwards under the necessity of recurring to the same expedient. Soon afterwards the parliament imposed it on sugar, butcher’s meat, and on many other commodities. At the Restoration, the excise was abolished on all articles of consumption, except beer and ale, cyder and perry, which produced a clear revenue, according to Davenant, of £666,383. These duties were divided into two equal portions ; the hereditary excise, so named, because granted to the crown for ever, in recompense for the Court of wards and purveyance, and the levies abolished by act of parliament ; and the temporary excise, so denominated because only granted for the life of the sovereign !”

“On the accession of James II., parliament not only renewed the temporary excise for his life, but also increased it by additional duties on wines, vinegar, tobacco, and sugar, which, however, were suffered to expire. The immediate effects of the revolution were, to diminish the excises supposed to be of a nature peculiarly obnoxious to the spirit and principles of the constitution. But the necessity of raising money to defend our religion and liberty became so urgent, that even this species of imposition was adopted. Excises on salt, on the distillery, and on malt, the last since known by the name of the *malt tax*, were then first introduced; an additional excise on beer alone, produced £450,000; and the sums raised by those duties during the reign of William, amounted to £13,649,328 or nearly a million per annum.”

“But so great were the necessities which the war of the Spanish succession entailed on the nation during the time of queen Anne, that the aversion to the excise did not prevent additional duties on several articles of consumption, and accordingly it produced in her reign the sum of £20,159,311, or nearly £1,738,275 per annum.

“During the whole reign of George I., no excise was laid on, except a small duty on wrought plate, under the administration of Sunderland; but the internal tranquility of the country, and the exemption from foreign war increasing the produce of the taxes, the excise yielded in thirteen years £30,421,251, or about £2,340,000 per annum. Its unpopularity, however, was not abated by long usage; and the laws for its collection were necessarily so severe, and so often exercised in preventing frauds and punishing smugglers, that they were considered by many persons as encroaching on private property and personal liberty. Indeed, such were the prejudices conceived against the excise, that the principal writers on finance, government, and trade, from the revolution to the period under consideration, almost uniformly condemned it; and a plausible notion prevailed that, as the real income of every country originates from land, all taxes should at once be imposed on that description of property.”

The grand object of the bill brought in by Walpole was, to give ease to landed property, to prevent frauds, to augment the revenue, and to simplify the taxes, and to facilitate their collection at the least possible expense. Its specific propositions were to comprehend, among the untaxed com-

modities, the principal necessities of life, and all the raw materials of manufacture, and the argument used to that end was, in effect, the same as have been since used for the purpose of gaining the system of free trade, now in practical operation, viz., that the free importation of the necessities of life would, by rendering those necessities cheaper, reduce the price of labour: and again, that the reduction of the price of labour would, by diminishing the price of home manufactures, increase thereby the demand in all foreign markets, by underselling those of other nations. The free importation also of raw materials, it was contended, would reduce the price of manufactures, and thus the cheapness of the goods would secure both the home consumption and a great command in foreign markets: and it was this regulation which induced Tucker (an able writer of that day), to say, "that by means of this scheme, the whole island would become one general free port."

Such was the celebrated intended excise bill in Walpole's time; but, so great was the frenzy of opposition, caused by the enemies of the minister, and by the city of London, which latter prayed to be heard by counsel at the bar of the house, that, on the evening before the report of the bill, Sir Robert Walpole, although urged by his party to proceed with it, declared that, conscious as he was of having meant well, he felt that, in the then present temper of the people, the act could not be carried into execution without an armed force, and that there would be an end of the liberty of England, if supplies were to be raised by the sword; if, therefore, the resolution was to proceed with the bill, he would instantly resign, for he would not be the minister to enforce taxes at the expense of blood: sentiments which do honour to this distinguished statesman, and shine out in marked contrast with the principles adopted by the ministers of the succeeding reign.

Coxe, the historian of this extraordinary man, goes on to add, that the defeat of this proposition was celebrated in London, and various other parts of the kingdom, as a great national victory; bonfires were made, and effigies burnt; cockades were generally worn, inscribed with the mottoes "Liberty," "Property," "No Excise;" the monument was illuminated; and every demonstration given of exuberant triumph and joy. The University of Oxford gave into the same folly, and carried their rejoicings to a most indecent excess. The gownsmen joined and encouraged the mob;

Jacobinical cries resounded through the city; and three days passed in this disgraceful manner, before the Vice-Chancellor and Proctors could procure tranquillity.

In the year 1737, the House of Commons resolved itself into a committee of the whole house, to consider the state of the national debt. Its amount at this period was £47,855,948, 3s. 3¼d.; (it is not a little amusing to find it calculated to even pence and farthings,) and so great was the burthen regarded, of what in this day would be considered the most trivial taxation, and such the difficulty to meet the amount of interest payable on the public debt, that it occasioned long debates.

Sir John Barnard, also, at the same time brought forward his scheme for reduction of the interest, called “a proposal towards lowering the interest of all the redeemable debts to 3 per cent., and thereby to enable the parliament to give immediate ease to his Majesty’s subjects, by taking off some of the taxes which were most burthensome to the poor, and especially to the manufacturers,” as likewise to give ease to the people, by lessening the annual taxes for the current service of the year. The bill was principally defended by the landed and resisted by the monied interest, and the ministers’ friends were divided. The details of the plan were curious, and may afford a useful hint to future ministers of a system which, under modification, might be applied to relieve the nation without injustice to the public creditor. It was to be provided that books should be opened, in which such persons as were desirous of being paid their money should enter their names and the sums. Those who should choose to have annuities for certain terms of years, and the capital to be annihilated, to subscribe in particular books for that purpose, at the following rates:—

For 47 Years, at 4 per cent. per Annum.

„ 31	„ at 5	„	„
„ 23½	„ at 6	„	„
„ 19	„ at 7	„	„
„ 16	„ at 8	„	„
„ 13¾	„ at 9	„	„
„ 12	„ at 10	„	„

That the proprietors of so much of the capital as should not be received in money, nor subscribed into some annuity for terms of years, should, for the future, be entitled to an annuity of 3 per cent. per annum only. It then, after some minute details, goes on to add, that if the parliament should be

willing to indulge persons who may be advanced in years with annuities for their term of life, the following rates would be granted, viz. :—

To persons 44 years old or upwards, 7 per cent. for life.

„	53	„	8	„
„	59	„	9	„
„	63	„	10	„

This scheme, which was indeed an admirable plan, founded on mathematical principles, met the fate of many similar measures, by putting off to future generations a burthen which in justice ought to be in a state of gradual redemption by the present; but the plan, principally by the management of Walpole, failed, who then used the great argument so often, and so fallaciously employed by ministers of after periods, that it was unnecessary, as, by the operation of the *Sinking Fund*, the people would in about TWENTY-FOUR years be freed from all their taxes, except such as were required for the current service of the state.

In the year 1738, the sum of £3,750,000 was granted for the expenses of the year, “the maintenance of the fleets and armies of England, and the discharging a million of the national debt, and other purposes;” and on the 29th April, 1740, just after the declaration of war against Spain, we find Mr. Speaker Onslow, on presenting the money bills, addressing the King thus: “The Commons of Great Britain in parliament assembled, beg leave to present to your Majesty the money bills for the sums that are necessary to carry on the great and important business of the nation. They amount in all to four millions of money; *an immense* sum, indeed! but granted by your Commons not only with cheerfulness, but unanimity, and a great part of it with unusual dispatch; this, Sir, arises from the assurance they have that it will be expended for the great and necessary purposes for which it is granted.” What the worthy speaker would have thought, could his mind’s eye have looked forward into futurity, and have found taxes equal in amount to the whole national debt of that time, voted annually to carry on ruinous wars with, it is impossible to conjecture.

In the year 1743, the King gave his assent to the “land tax bill, the malt bill, and a bill for laying duties on spirituous liquors, and on licences for retailing the said liquors,” which met with the most severe opposition; and in a work

of the period* it is mentioned, that at that time the population of London were sunk into the most brutal degeneracy by drinking to excess the pernicious spirit called gin, which was sold so cheap that the lowest class of the people could afford to indulge themselves in one continued state of intoxication, to the destruction of all morals, industry, and order. Indeed, such a shameful degree of profligacy prevailed, that the retailers of the poisonous compound set up painted boards in public, inviting people to be drunk at the small expense of one penny, and assuring them that they might be dead-drunk for two-pence, and have straw for nothing. They accordingly provided cellars and places strewn with straw, to which they conveyed those wretches who were overwhelmed with intoxication. In these dismal caverns they lay until they recovered some use of their faculties, and then they had recourse to the same mischievous potion; thus consuming their health, and ruining their families in hideous receptacles of the most filthy vice, resounding with riot, execration, and blasphemy. Such practices too plainly denoted a total want of all police and civil regulations, and would have reflected disgrace upon the most barbarous community.

We are further informed that the Lords, greatly to their honour, offered the most strenuous opposition to this measure; and Lord Hervey, who had been Lord Privy-Seal, designated it as "a bill† productive of murder of all sorts." The bill (which repealed certain duties on spirituous liquors, and licences for retailing those liquors, and imposed others at an easier rate,) nevertheless passed, under protest of many peers, on account of its baneful tendency.

* London Magazine for 1743.

† The account in the Secker MSS. of the warm debates occasioned by this bill is full of interesting statistics, on the subject of the quantities of spirituous liquors then consumed in England; the consumption of which had increased from 527,000 gallons in 1684 to 7,160,000 gallons in 1742. The portion of Lord Hervey's speech to which the above quotation refers was as follows:—1743, Feb. 25: Hervey: "This bill will be productive of murders of all sorts. It will extend its consequences almost as wide as the forbidden fruit; but it will not be a tree of knowledge, but a spring of ignorance. All lawgivers have provided for the health of their people. Moses saw the people inclined to leprosy, and forbade swine's flesh. So Mahomet, Lycurgus, Solon. This the original meaning of 'Salus populi suprema lex.' The chiefs of the wild Indians declared against rum being imported to them. The colony of Georgia have made a law against it. A total prohibition of strong liquors here was never meant; but only amongst the common people for common use."

In the year 1751, a resolution was come to, "that, towards raising the supply granted to his Majesty, the sum of 3s. in the pound should be raised upon lands, tenements, hereditaments, pensions, offices, and personal estates in Great Britain. It is remarkable in thus gradually tracing the history of the sources of taxation for the precedent which is here, and has previously been elsewhere shewn, that not only the land but also houses, pensions, offices, and personal estates, have ever been considered the legitimate sources of taxation; and it was not until later times that such large resources were drawn from the people by *indirect* taxation. Upon this occasion it appears that the same difficulty and difference of opinion prevailed as to the true adjustment of the fair proportion of taxation which was to be borne respectively by the landed and monied interest. In the course of the debate the mover states "that the exigencies of the state required the large sum that was mentioned, which must be made up either of the Sinking Fund or by continuing the 1s. upon land, which the gentleman who opposed continuing the land-tax at 3d. in the pound last year did then acquiesce in, being promised it should be reduced to 2s. this year, and the sum of £500,000, if wanted, to be taken out of the surplus of the Sinking Fund, if that should be thought the most eligible alternative; but it was alleged that to take so large a sum from the Sinking Fund would alarm the monied interest, and be deemed a breach of parliamentary faith. In short, the landed men were not to expect that their burthen would ever be made lighter than it is."

At this time, from the debate which occurred on the land-tax bill, we find that the public debt had increased to £80,000,000.*

In the year 1745 a land-tax of 4s. in the pound was granted as before upon lands, tenements, and hereditaments, and also upon pensions, offices, and personal estates; but an amendment made by one of the members for doubly taxing places and pensions was negatived by a large majority.

From the speech of the Chancellor of the Exchequer on the motion for supply for the year 1755, which he opened in a very clear and luminous manner, we are informed that besides the produce of the land and malt-taxes, and the amount to be taken from the Sinking Fund, "£3,000,000 more must be raised for the public service."

* Gentleman's Magazine.

The scheme he proposed was as follows:—£1,000,000 at $3\frac{1}{2}$ per cent.; £1,500,000 at 3 per cent.; £500,000 by a lottery of 50,000 tickets at £10 each—(a very demoralising but fruitful source of income in those days)—and £22 10s. *annually for life to any person* (to be named in half-a-year) that subscribed £300; affording a curious illustration of the then mode of raising money, as also that it was obtainable at a comparatively provident rate of interest. He said further, that as a fund must be established for paying the interest due upon the £3,000,000, “which would amount to £177,000 odd hundreds per annum,” he proposed to raise it by continuing the salt-tax for six years longer, and by a duty on wines. From this account we collect both the nature of the taxes and the amount raised for the public service of the time, viz.:—

TOTAL OF THE SUPPLIES.

Land tax	£2,000,000
Sinking Fund	1,000,000
Raised by Mr. Pelham the above loan .	3,000,000
Malt-tax	700,000
	<hr/>
	£6,700,000

The same system of taxation continued during the remainder of this reign, and the taxes, which were comparatively small in amount, seem to have been granted with more regularity and with less opposition than in the preceding.

The supplies granted for the year 1756 amounted to £7,229,117,* and in 1757 to £8,355,320; a vote of credit was also taken by the King in June, 1758, for £801,000; and on December 15th, 1758, we find that amusing wit of the day, Lord Chesterfield, writing to his son to the following effect:—“The estimates for the expenses of the year 1759 are made up, I have seen them, and what do you think they amount to? No less than £12,300,000: a most incredible sum, and yet already all subscribed, and even more offered. The unanimity of the House of Commons, in voting such a sum and such forces both by sea and land, is not less astonishing. This is Mr. Pitt’s doing, and it is marvellous in our eyes.”

In the year 1760, the total and last supplies granted in this reign were £15,503,563. On the 25th of October, 1760, George II. expired at Kensington suddenly, and the reign

* In every case where practicable, fractional parts of a pound are omitted.

of his grandson, so fraught with circumstances the most eventful and unparalleled in the history of this country, commenced.

George III., 1760.

At the accession of George III., Bisset, in his history of that reign, remarks that "The resources of the country were increased beyond all former computation, and internal security prevailed, notwithstanding the expensive war under that very energetic minister, Mr. Secretary Pitt." The total of the supplies in the first session of the parliament of the new King's reign amounted to £19,616,119, being considerably less than is now paid as interest on the national debt. Three years afterwards, viz., 1763, the principal of the national debt amounted to about £140,000,000, and the interest to about £4,800,000; since which period it has been increased by the ruinous wars in which the nation has been engaged, and by the lavish expenditure and false principles of finance adopted by successive ministers, in a ratio and to an amount unprecedented in the history of any people.

The principal sources of taxation at this time were a duty on malt, a land-tax at 4s. in the pound for one year (and which produced alone upwards of £2,000,000), a tax on wool and timber from the colonies, a duty on coffee, silks, and East India goods, a low scale of stamp-duty, and some minor sources of taxation.

At this period commences that first fatal step which afterwards led to such momentous consequences. "The ministry," says Adolphus, "deemed it necessary this year to contemplate America as a source of taxation and a future source of income;" and Mr. Grenville moved, as a part of the innovating system, to change certain stamp-duties in the colonies." The Americans perceiving in these resolutions the first appearance of a general and extensive plan of taxation, determined not to wait for the gradual exposure of the plan, to combat it by parts, but to strike at once at the basis, by denying the right of the mother country to impose taxes on the colonies, which, not being represented in parliament, did neither really nor virtually consent to the imposition.* The result of the sanguinary and disastrous war which ensued, in

* Adolphus.

the total loss to the British crown of one of her fairest colonial possessions, is too well known to need repetition in this essay : another consequence thereof, however, bears directly upon its subject, viz., the legacy bequeathed from that war to the nation, of the fearful amount of £116,000,000 added thereby to its public debt.

The principal sources of revenue up to the year 1781, independently of the loans raised from time to time, and the temporary aids derived from the issue of exchequer bills, (both of which modes had now become the ordinary practice of the minister,) arose from malt, land-tax, a moderate excise duty on *foreign* coffee, sugars, wines, spirits, cyder, and perry; from lotteries, a duty on window lights, (1766,) on foreign linen, cambric, East India goods, postage, tea, tobacco, coals, sale of ceded islands, French prize money (£670,000), a tax of one guinea each on male servants not employed in agriculture (calculated to produce in that day, 1777, (£100,000,) a duty on glass, and on goods sold by auction. In 1779, a tax was laid on post-horses of one penny per mile; besides which, a small legacy duty calculated to produce only £12,000, and a considerable duty on paper, were also imposed. In 1781, there was also raised under the authority of parliament for the service of that year, a loan of twelve millions, one of the conditions and advantages of which was that every contributor of £1,000 should be entitled to four tickets in a lottery to consist of 48,000 shares, amounting to £480,000, to be distributed in prizes for the benefit of the proprietors of the fortunate tickets in the said lottery: to such certain causes of moral contamination did the parliaments of those days readily resort, in order to relieve themselves from the present pressure of financial difficulty. It may be added that, although there were at this time a large number of minor sources of taxation, yet that the land-tax was the principal and most lucrative, producing upwards of two millions annually. The national debt of this time was returned to parliament (1781) at £177,000,000, and the interest thereon at nearly £7,000,000.

In the session of parliament held in the year 1786, Mr. Pitt brought on his celebrated motion for the reduction of the national debt; he gave the house to understand that such was then the flourishing condition of the revenue, that the annual income would not only equal the annual national disbursements, but would also leave a surplus of considerable magnitude; this surplus, he said, he meant to form into a

permanent fund, to be constantly and invariably applied to the liquidation of the public debt; and after an elaborate account of the income and expenditure, he proposed that the surplus, conformably to the statement of the report then presented to parliament, should be thenceforth annually applied to the reduction of the national debt; which proposal, after some objections (apparently prophetic) on the part of Sir Grey Cooper, Mr. Fox, Mr. Sheridan, and Mr. Hussey, on what they termed the insufficiency and impolicy of the mode which Mr. Pitt had adopted, to accomplish that which all parties nevertheless assented to, as being a great and desirable measure, was carried unanimously. This memorable event, which is so often referred to in the proceedings and debates of parliament in after days, was the first establishment of the Sinking Fund; from which time, Mr. Pitt established a regular system of at once funding and providing for the necessities of the state by loans. The national debt, comprising the various stocks, was at the same date, Jan. 5th, returned at only £266,725,097, and the interest thereon at £9,536,026.

The principal sources of revenue from 1786 to 1790 were the land-tax, amounting to two millions per annum; malt-tax, £2,600,000; out of the sinking fund (1786), exchequer bills, lotteries, loans, some new taxes, chiefly composed of small stamp-duties upon receipts, promissory notes, on the entry of burials, christenings, marriages, births, and deaths, (the latter of which produced the comparatively large revenue of £560,000,) an additional duty on Geneva spirit, and an excise on French glass. Thus, in the year 1790, the aggregate of revenue was returned on—

Customs	£3,777,152
Excise	6,707,555
Stamps	1,259,124

And from incidental taxes, comprising
letter money, 6d. per pound on salaries,
houses, and windows, hackney-coaches
and chairs, a tax on male and female
servants, horses, shops, and other minor
sources

2,001,592

£13,745,423

In this latter year the cause and necessity for larger taxation was admitted by Mr. Pitt to arise from the additional interest

required by the burthen of the public debt ; and Mr. Dundas, in a speech on the same subject, expressed his conviction that the day was not far distant when the resources of India would furnish assistance to this country. Mr. Pitt also declared, three years afterwards, (1793,) that he intended not only to apply the annual million for the reduction of the national debt, but likewise the sum of £200,000, which had, in the last year, been understood to be set apart for providing, during the continuance of the war, for the lessening of the debt. "I likewise mean," said that statesman, "to avoid another evil which has taken place in all former wars,—the accumulation of an unfunded debt." How far this most profuse yet able minister immediately began his good intentions, may be collected from his taking up, in the same year, a loan of £4,500,000 in a 3 per cent. stock, at £72 sterling for every £100 stock, which, at the then price of the funds, was no less a premium than 8 per cent. ; and thus were the burthens and incubus of our enormous debt created in a low scale of receipt, to be paid for by posterity in a larger increased value.

1793, to the Peace of Amiens, in 1802.

THE system of taxation during this period remained fixed as to the sources from which the revenue was derived, as in the preceding years ; but so easy had become the system of borrowing from the great capitalists, (who gained enormous wealth from such transactions,) by loans on the funding system, and of obtaining credit by the issue of exchequer bills, that no difficulty was found by the minister in obtaining ample resources ; and by these fallacious means Mr. Pitt may be said to have opened to the state the riches of a modern California, or our own Australia, which, however, unlike the wealth obtained from those almost fabulous auriferous regions, had to be repaid back with interest, at the cost of much suffering and privation to the country, committed to so fatal a principle of finance.

In the year 1797, a great debate took place on the subject of the augmentation of the assessed taxes, which were proposed to be increased to a very large amount, and which occasioned one of the members to say, "That the same power which seized upon the tenth of his income, might afterwards take a fifth, or even that capital from which his income was derived ;

and that virtually all the property of the kingdom was transferred into the hands of the minister of the crown." And in the House of Lords, Lord Holland, in his first speech in parliament, called it "worse in point of principle than any of the plans of Robespierre." It would be quite superfluous to add that in these, the halcyon days of ministerial power, when large majorities could be ensured through the medium of boroughs, since swept away with the besom of reform, almost every measure proposed by the minister was carried.

In this year also, Mr. Pitt introduced his celebrated bill for the redemption of the land-tax; and referring to it, said that in his opinion no greater service could be rendered to the country, than to point out the mode by which taxes might be assessed in the most equal manner upon all kinds of property.

On the 26th April, 1797, Mr. Pitt also, on proposing the budget, expressed his regret that he was obliged to propose a large addition to the expenditure. Fresh loans, new issues of exchequer bills, and an increase of taxes, were the effects reaped by the nation under this declaration. He could not, said the minister, say the terms of the loan were advantageous to the public. He considered the 3 per cent. consols, and 3 per cents. reduced at fifty, the 4 per cents. at sixty-four and the long annuity at fourteen years' purchase, and had raised the loan of 18,000,000, (two of which was for the Emperor of Germany,) on the following terms, viz: the subscriber was for every £100 sterling, to have

£125 0 0	of 3 per cent. consols at 50	.	£62 10 0
50 0 0	of 3 per cent. reduced at 50	.	25 0 0
20 0 0	of 4 per cents. . at 64	.	12 16 0
0 6 6	long annuity at 14 years	.	4 11 0
			<hr/>
			£104 17 0
			<hr/>
<u>£195 0 0</u>	Stock, and 6s. 6d. long annuity,		
	and a bonus of £4 17s.		

The extreme extravagance at which this loan was effected, and the permanent rate of interest, £6 7s. 6d., which it bore, is forcibly illustrative of the system which prevailed at this time.

On the 4th Dec., 1797, in the great debate which took place on finance, a proposal was made to levy a tax on mort-

gages, to equalize the land-tax,* and to abolish all other taxes ; it was also proposed to sell the forests and mortmain lands, and to throw the produce into the Sinking Fund, for the purpose of discharging the national debt. The whole property of the kingdom was then calculated at £2,000,000,000, a very small per centage on which, it was contended, would soon relieve this country from embarrassment ; and it was proposed that every person possessing property, whether in lands, bonds, funds, goods, or whatever else, should be called upon to contribute a certain proportion in the shape of a per centage of a half or one per cent. It was also proposed by another member to charge a duty of five per cent. on all *devisable* property above a certain amount ; to charge a duty (amount not named) on all retail tradesmen, making the rent of their house the criterion of property ; and finally, among this goodly array, to charge the transfer of stock with a duty of half-a-crown in the pound. It was estimated that these three latter taxes alone, would in that day have produced £8,000,000, perhaps £10,000,000 per annum. The motion for trebling the assessed taxes, as proposed by Mr. Pitt, was carried ; and not only were they levied upon houses in the most indefensible and reckless manner, but also additional taxes imposed upon male-servants, horses, carriages, dogs, and watches, (which latter, the minister said, he considered tests of affluence ;) in fact, no conceivable mode by which the subject could be laden with taxation was forgotten or omitted, and it was even reported that rewards were given to able and ingenious persons who could invent a new tax, he imitating the plan which Nero pursued respecting luxurious pleasures, and applying it to taxation.

The total supply granted by parliament, for the year 1798, was something over £35,000,000 ; a considerable portion of which, notwithstanding the increased taxation, was raised by annuities, and a consequent increase of the debt, which was returned at the close of this year at £450,000,000 ; showing in what an immense proportion it had been increased in the few years of Mr. Pitt's administration.

On the 3rd of December, 1799, the great measure for raising the supply for the service of the country was pro-

* There is perhaps no tax existing which has been assessed more unequally ; it being in many rich parishes almost nominal, as in St. Mary-le-bone, where it is a farthing in the pound ; whilst in many others it is 3s. and 4s. in the pound.

mulgated. The expenses of the nation were enormous ; the amount of debt was then represented as intolerable ; and it was said that all sources of ordinary taxation were dried up. It was, therefore, the utter hopelessness of successfully meeting the claims occasioned by the war, which induced the laying a tax upon incomes ; a tax, in its then origin, and always afterwards, until its memorable infliction in time of peace by Sir Robert Peel, emphatically designated and considered a *war tax*. This tax did not then apply to persons whose incomes were under £60 a year : and great difficulty, it would appear, was entertained then, as now, in framing the details of the bill, which, however necessary, was considered as demanding far too inquisitorial inquiry into the private affairs of the nation at large. It was, however, so arranged, that the first charge should be made on the declaration of the parties themselves ; and that, in order to check this, it should be the duty of some officers in each district to lay before the commissioners any grounds of doubt which they might entertain. These statements, it was proposed, should be sent to the surveyors of taxes, or some other officers appointed for that purpose, and that these should only express their doubts, and the foundations of them ; and that then the commissioners should call for further explanations, when these grounds of doubt were not satisfactorily removed.

It may be well imagined, in a practically free country like England, where the most jealous care is taken, and the most watchful guardianship exercised by its representatives over the liberties of the subject, that a tribunal, such as that above described, occasioned the utmost discontent and disgust among the nation at large. Notwithstanding, however, the feelings of the nation against its inquisitorial action, this tax was imposed, and continued in force ; and we find, by a resolution moved and carried by Mr. Pitt, in the House of Commons, on the 28th of July, 1800, that the produce thereof alone was £7,000,000, which, added to the other sources of revenue, and a loan of £18,500,000, produced an income for the year ensuing of no less than £64,651,000.

In the year 1801, on the debate in the House of Commons on the preliminaries of peace with France, in which Lord Hawkesbury, afterwards the Earl of Liverpool, Mr. Grenville, Mr. Pitt, Mr. Fox, and Lord Castlereagh took part, Sir Edward Hartopp, on moving the address of thanks to his Majesty, was seconded by Mr. Lee, then member for

Dungarvon, in whose speech we find much curious information and statistics on the subject of the national debt. He stated, that "at the close of the American war it was £237,000,000, and at this time (1801), it was £400,000,000 or £500,000,000, but at the former period we had no means of paying off the debt. From the Sinking Fund," added the honourable member, "the country has derived manifest advantages: by means of this fund, the gradual payment of the national debt was provided for; and if the peace continued seventy-three years, the *whole* of the debt would be cleared off." This affords a remarkable instance of contrast in point of calculation as to the time of its extinction, to that represented by Mr. Chancellor Addington, in the succeeding year, and of the complete fallacy of the results of financial statements on the subject of the public debt.

On the 10th of March, 1802, a few days previous to the signing of the Treaty of Amiens, a petition from the city of London for the repeal of the income-tax, was presented; in the resolutions contained in which the serious evils attending the tax were prominently set forth, as causing a destructive operation on the trading world, and as manifestly unjust, in making no discrimination between fluctuating and certain income. The petitioners also stated that it was hostile to the liberties and morals of the people; that no modification could render it equitable, just, or efficient; and that every exertion should be made to get rid of a tax at once so oppressive and inquisitorial; affording ample proof, if any were wanting, of the detestation in which it was at the time held.

From the Peace of Amiens, 1802, to the close of the War in 1815.

ON the 14th April, 1802, Mr. Chancellor Addington, in his address to the House on the National Debt Reduction Bill, says, "No man could feel more than he did the importance of the obligation we were under to preserve inviolable the system for the redemption of the national debt, which was adopted in 1786. Of all the measures that were ever adopted by parliament, no one was more entitled to the admiration of the present age, or the gratitude of posterity."

The leading features then submitted by him were for the consolidation of the public debt, and the means to be adopted for its reduction. It was impossible, he declared, without

feeling the utmost anxiety and an earnest desire to accelerate the period of its extinction, to look at the amount of the capital of that debt, or to regard the amount of taxes annually and permanently to be raised, a large proportion of which was for the interest of the debt, the capital thereof being, at this time, £488,000,000.

The statements then given had relation to the propositions and measures which were adopted in 1786 and 1792, under Mr. Pitt's plan for the purpose of reducing the debt; the first was to effect this by the operation of a fund of £1,000,000, at compound interest till it should amount to £4,000,000, when the interest was to be at the disposal of parliament; the second and far more important and judicious course, was for providing for its redemption by creating with each future loan a sinking fund of 1 per cent., so that it should work its own extinction. The proposition then made by Mr. Chancellor Addington was, to prevent that pause in the operation taking place, and to go on with the fund together with the interest to attach to it, with all advantages and power of compound interest. With respect to the measure of 1792, the operation of that fund was also for the discharge of 1 per cent. of the whole sum borrowed since that period, which he proposed to carry on with the other fund, for the purpose of the extinction of the whole debt. By the operation of these two funds the probability was, that the whole debt would be paid off *in forty-three years and two months*. Such were the fallacious opinions of statesmen celebrated for their talent, their wisdom, and for their prudence in matters of finance; and which, were the subject not too serious to the interests of the nation, would be considered as a ludicrous mockery, now that, after thirty-eight years of profound peace, we find the national debt in its present state without any real practical effort being made, even to the present day, for its permanent and gradual reduction.

Mr. Addington, in his financial resolutions of this time, stated the total gross receipts of revenue, after deducting all loans, to be in the year 1800, £33,535,016, and in 1801, £35,368,376; being an increase of taxation, as compared with 1797, of upwards of £12,000,000; and that the average increase of the debt during the past war had been about £25,000,000 a year.

Immediately after the signing of the treaty of the Peace of Amiens, the most extraordinary elasticity and advance took place in the value of the public funds, which from 59 rose to

77; and great were the hopes of the nation that the evils of a war which had entailed so many pecuniary burthens by heavy taxation, were to be succeeded by the blessings of a long and lasting peace; little imagining that a few months would lead to the renewal of a struggle, which should deluge the earth with the blood of her best and bravest sons, and demand for its prosecution the expenditure of almost countless treasures.

In 1803, the Chancellor of the Exchequer proposed the property-tax, prefacing that he never considered the income-tax as anything but a war-tax; and that as there had been already such considerable sums raised upon consumption, it was but fair that positive property should be taxed. The most singular part of the debate was to find Mr. Pitt (then in opposition) resisting a tax under the Addington administration, so similar to that imposed under his own. The same system of raising money on loans and temporary credits prevailed, which were almost invariably afterwards funded and carried over to the corpus of the national debt. The principal sources of taxation from the Peace of Amiens were the property-tax, customs, excise, malt, stamps, &c., and it was not till the accession of the Whig Ministry in 1806, when Lord Henry Petty (afterwards Marquis of Lansdowne) became Chancellor of the Exchequer, that any great effort was made to change the financial policy of the country. The plan proposed by this eminent statesman, was remarkable for the excellent and practically sound principles suggested for the permanent improvement of the finances and general taxation of the country; and in the course of a speech replete with energy, wisdom, moderation, and prudence, he took a clear and luminous review of our whole system of taxation, and gave an able account of the rise and progress of the Sinking Fund.*

* "The Sinking Fund and war-taxes are, perhaps, the most remarkable features in the political and financial history, not only of this, but of any country in the world. First, then, as to the Sinking Fund, or the system of applying annually certain portions of the revenue, partly to redeem, and partly to accumulate for the further redemption of the debt. The first establishment of the fund took place in 1786, by Mr. Pitt, to the credit and honour of whose name it will long remain a monument.

"When the Sinking Fund was first established in 1786, £1,000,000 was appropriated for the purposes of that fund; at that time the public funded debt amounted to £238,231,248, and therefore, the Sinking Fund was equal to the 238th part of the whole debt. The accumulation of the latter, however, raised its proportion to the former, by the close of 1792, to the 160th part. A further addition to this fund was proposed by Mr.

His lordship, in the course of his address, illustrated with great ability, the very unjust operation of what were called at the time the war-taxes, (but some of which have in later times been continued as peace-taxes;) and instanced the treble assessment of the assessed taxes, and the property and income-tax, (then ten per cent.,) and proved very distinctly that they did not fall with perfect equality on all classes of the community; and he stated as his conviction, that the

Pitt, and readily adopted in 1792, consisting of a grant of £400,000, arising from the surplus of the revenue, and a further annual grant of £200,000; so, thenceforth, £1,200,000 were applied to the increased fund, and at the commencement of the war with the French Republic in 1793, looking to what had been held out and declared in the previous arrangements, a Sinking Fund of a different character was constituted. This consisted in setting apart one per cent. on the nominal capital created by each loan, in order to form a fund for the liquidation of that loan.

"With respect to the first Sinking Fund, the sum voted in 1786, and that superadded to it in 1792, were to be allowed to accumulate at compound interest, until they reached the maximum of £4,000,000, and it was provided that any surplus which might afterwards arise, should become applicable to the public service, and be at the disposal of Parliament. But the fund arising out of the principal established in 1793, was to be subject to no such limitation; for the sum of 1 per cent. appropriated upon each loan was to go on accumulating until it accomplished the redemption of that loan, which it was calculated would probably be effected in forty-five years from the period at which the loan might have been contracted.

"No alteration was made in the relative state of those funds until the year 1802, when Lord Sidmouth looking at the amount of the debt, but, at the same time, impressed with the necessity of keeping open and unincumbered the system of raising a large portion of the supplies within the year, found it expedient, from the amount of taxes he was compelled to raise, to defray the interest on stock, for which the income-tax had been pledged, to avoid loading the public with the addition of a Sinking Fund.

"To reconcile the stock-holder to this arrangement, he consolidated the old and new Sinking Funds. By the Act which parliament then passed, the provision limiting the progress of the fund of 1786, when it should reach the amount of £4,000,000, which it was calculated it would reach in 1808, was done away with, and it was provided that the fund of 1786 should be consolidated with the fund arising from the appropriation of one per cent. on the nominal amount of each loan, and that both funds, thus combined, should be applied to the redemption of the whole debt. This debt amounted in February, 1803, to £480,572,470, and the produce of the joint Sinking Funds to £6,311,266; so that, although this fund was originally but in the proportion of the 266th part, it became in 1803 equal to a 77th part of the whole unredeemed debt.

"The amount of the unredeemed debt on the 5th February, 1802, was £530,351,890, while that of the Sinking Fund was £8,331,790, so that the Sinking Fund was then equal to the 63rd part of the whole."—*Lord Henry Petty's Speech, Parl. History, 1806.*

true mode for the future financial prosperity of the country ought to be, that on all future loans which it might be necessary to raise for the service of the state, a sum of 10 per cent. on the amount thereof, should be appropriated out of the taxes, so that the redemption of every loan thenceforward contracted, would be wholly effected in fourteen years, by the operation of its own sinking fund; a principle which, if only carried out by an appropriation of five, or even three per cent, is so financially manifest and admirable, as to leave nothing more to be desired. The most elaborate tables and calculations were at the same time submitted to the house of commons, under the direction of his lordship, showing the certainty of a redemption of the debt in a definite number of years, by the steady application of these principles.

These new features of finance, so well constructed for the future interests and prosperity of the country, met with considerable opposition from Lord Castlereagh and his party; and a change of ministry taking place in 1807, when Mr. Perceval became chancellor of the exchequer, this admirable scheme, attended with so many advantages for the public good, fell to the ground.

The public income returned to parliament for the year ending 5th January, 1807, was, including loans, £75,000,000, and the interest on the public funded debt of Great Britain and Ireland and the imperial loan, £29,026,000, and on annuities for lives and years, £1,802,000.

The new parliament, in which the right honourable Spencer Perceval was the chancellor of the exchequer, met on the 22nd June, 1807; and he at once moved for the revival of the finance committee which, like many of its predecessors, failed in producing any practical remedy for the errors of our financial system; and the same method of meeting the exigencies of the state, by loans without any adequate redemption fund, was resorted to. The malt and pension taxes were estimated to produce at this period £3,000,000; which, with the duties on excise, customs, and stamps, and an additional stamp duty on conveyance of real estate, together with the sum of £12,000,000 taken upon loan, constituted the resources of the year. It must also, in justice to Mr. Perceval's administration, be here mentioned, that he introduced, during its existence, a popular measure, enabling persons to transfer stock and convert the same into life annuities; he stated also, that he hoped to procure loans in a

3 per cent. stock, redeemable at 80, which (in the subsequent position which the funds of this country have obtained) would have been an immense advantage ; and that in the event of the funds rising above that point, the stock so created should not be transferable.

We may here notice that, in the five years which had elapsed since the peace of Amiens, the capital of the national debt had increased from £478,000,000 to £585,000,000.

In a debate of the finance committee in the year 1808, one of the members complained how little had been done for the putting the taxation of the country on a better footing ; and stated that, notwithstanding the finance committee of 1797 had made no less than twenty-four reports, containing the most valuable suggestions, yet not one single thing was done by the ministers of that day.

Great abuses were also found to exist, and considerable defalcations of the public money took place by collectors and others. The cost, too, of collecting the revenue was at this time also enormous ; and the sinecures amounted to a million and a half ; and considerable blame was consequently attached to the government for sustaining an expenditure of this kind, which, if judiciously applied, would have gone far to relieve the burthens of the nation, then suffering under the pressure of extreme taxation.

Lord Sidmouth in a speech on the subject of finance in 1809, said " that the great object was to arrive at the point when the sum borrowed would be balanced by the sum redeemed in the same year ; after which, if there was no additional expenditure, the public service would be carried on with a diminishing, instead of an increasing debt ; and it was his opinion that, if an addition to the expenditure became necessary, it ought to be provided for by an addition to the revenue, so that the great object of preventing a permanent accumulation of debt might be effectually accomplished." It would almost be superfluous to add, that this splendid and impregnable situation of financial security never was attempted, much less arrived at, either by him or any other after statesman. At the same period also, Lord Henry Petty, whose opinions on the subject of finance were always well received and considered by the country, complained of the heavy subsidies submitted to foreign powers at the very time when the ministry were projecting retrenchments in the civil list expenditure, and which were effectually to prevent any permanent benefit to the nation. Mr. Whitehead also strongly

animadverted on the odious and demoralizing system of raising a revenue from lotteries, and stated that Mr. Pitt had promised that, at the termination of the war, this objectionable plan of raising money should be abandoned for ever. The net produce of the income of the country, including loans of £10,000,000 raised for the service of the year 1809, was upwards of £73,000,000; the sources of revenue being derived similarly to former years, from excise, customs, land-tax, malt and property tax, (the last named tax alone producing at this time, upwards of £10,000,000,) the post-office, and a multitude of minor taxes, called miscellaneous; the public funded debt of the period was upwards of £586,000,000, and the unfunded debt about £40,000,000.

From this time forward, and in the succeeding years up to the close of the war, a period which may be considered as the most trying and expensive of financial pressure to the nation, both under the chancellorship of Mr. Perceval (until his lamented death by assassination in the lobby in the house of commons, on the 11th May, 1812,) and that of his successor, Mr. Vansittart, no conceivable method by which taxation could be raised or augmented was forgotten. Indeed, to such an extent was the science of raising taxes carried under the sway of the latter minister, that taxes on articles of dress amounting almost to the sumptuary laws of the olden time were levied, and it was only the positive impracticability of collecting the duties then existing on hats and gloves, from the systematic evasion thereof, which induced the entire abandonment of them; it had even been suggested that taxes should be imposed on all articles whatever of dress, as boots, shoes, and leather breeches (then much in fashion), as also on all articles of furniture in houses, as locks, keys, and bells; to such small and insignificant means of raising revenue had political economy descended, whilst the colossal fortunes amassed by capitalists and monopolists, the large revenues of corporate bodies, and the transmission of land, (which ought to have been legitimate objects of taxation,) remained comparatively untouched by its pressure; and the effect of this course was rendered the more burthensome, as the cost of collecting such minor taxes was greatly disproportionate to their return into the exchequer.

As a subject of interest bearing on the importance of fostering the culture of the staple commodity, cotton, in our colonies and dependencies, it may be mentioned that it was stated by the then chancellor of the exchequer, in a debate

upon those duties, that he believed our own colonies and the East Indies would yield a sufficient supply in case we should get none from America; and that a supply to any extent could be obtained; from which opinion, however, Mr. Baring (a very competent authority) dissented, "and considered our manufacturers could not do without the fine cottons from America,"* a warning voice that it would be well for our legislators to consider, by promoting its growth in India, ere the time shall come,—as come it probably will,—when a war with America may prevent our obtaining an article so essential to the employment and subsistence of so many thousands of the artisans of this country.

The sum raised as revenue, including loans, for the year 1812, was something more than £87,000,000, and the funded debt had increased to £615,000,000.

At this time also, that question was raised which is likely to form a source of great consideration in the present day,—the injustice of fixing the same ratio of taxation upon incomes derivable from uncertain and professional sources, and life and terminable annuities, as upon that derived from landed estate, government funds, and the corpus of property held with certainty or in perpetuity; a system so manifestly unequal and unjust, as to leave no doubt of the necessity of a re-adjustment of this tax on more equitable principles.

The chancellor of the exchequer at this period also greatly increased the taxation by fresh impositions on hides and skins, an excise duty on glass, an additional duty on the postage of letters, and a new tax upon dogs and game-keepers; by which it appears that the legislature had not arrived, in that day, at the practical good sense of their successors, in seeing that a moderate, instead of an excessive scale of duties, increases alike the consumption and the revenue of a commercial country.

At the meeting of the new parliament, on the 24th Nov., 1812, Mr. Vansittart, the then chancellor of the exchequer, presented what he was pleased to call his new plan of finance, which he stated had for its object "the total repayment of the existing debt in from four to ten years, and that of the future debt which might be incurred, according to the various suppositions assumed, in from fourteen to thirty-seven years sooner than by the laws then in force." So startling a proposi-

* Hansard's Debates.—Mr. Baring's speech, 1809. *Vide* also an able article in the *Times*, 3rd March, 1852, on the subject of the growth of East India cotton.

tion was looked to with the most intense interest by the members of the legislature; and it was deemed that, if the project were tenable, the golden age which should see the country rid of its incubus of debt had at length arrived. The features of the plan were in effect that, inasmuch as the commissioners of the sinking fund had purchased, or had had transferred to them at this time (March, 1813) amounts exceeding the amount of debt existing in 1786, (being then about £240,000,000), that the sums so in the hands of the commissioners should be considered as a redemption of the original debt; and that in any number of future successful loans which should be contracted, a proportionate sinking fund should be attached to each, and should accumulate at compound interest, until the whole of such respective loans should be discharged by its exclusive operation; and thus that the redemption of every loan should be separately and independently effected. The debate on this question produced some very learned and elaborate speeches on the subject of finance, and none more so than from Mr. Huskisson, wherein he entered into a luminous history of the sinking fund as established by Mr. Pitt in 1792. "This system," he stated, "was framed with the specific view of guarding against the danger of an accumulating debt, and of holding out to the public a guarantee that any future debts which the state might contract should, from the moment of their being incurred, be placed in a course of liquidation, uniform and unalterable. Under this plan, not only the sinking fund which it provides, but also the application and accumulation of it are so interwoven and bound up with the contract for the loan, as to remain a condition between the borrower and lender, until every obligation of the contract should be cancelled by the extinction of the loan itself in forty five years."

The principle upon which the period for the extinction in forty-five years was founded, was that a sinking fund of 1 per cent. operating at compound interest, and supposing the rate of interest to be invariably 3 per cent., will redeem a capital equal to one hundred times its amount in little more than forty-five years; and it follows, from there being no stock below that rate, that forty-five years would be the ultimate term to which the liquidation of any debt, having a sinking fund of 1 per cent., could by possibility be postponed. The foundation of the new system proposed by the chancellor of the exchequer, as Mr. Huskisson observed, "was leaving parliament at liberty to regulate according to its discretion,

in any manner, and at any time, the redemption of the debt ; but which under Mr. Vansittart's plan (unless the chancellor of the exchequer had found the philosopher's stone, which Van Helmont and so many other ingenious men of former days had spent their lives in various endeavours to find), would never be accomplished by this system of finance." He also stated his belief that such were the real resources of the country, that not only could its taxation be raised with facility under a well organised system, but a fund created, which would gradually redeem such a portion of the national debt, as would put it on a natural basis, and add to the comforts of mankind by a reduction of taxation on all the necessities of life, which in many cases under the present system were paid by the humbler classes. Had the authority of this great statesman been acted upon at the time these memorable words were spoken in the senate, who can doubt that in this our day a large portion of the public debt would have been extinct, and the necessity for taxation largely diminished ? This system of Mr. Vansittart was, in fact, nothing more nor less than an invasion of the sinking fund, the injuring which, by preventing further contributions thereto, he counted as nothing in comparison with the obtaining present resources ; and accordingly he carried these measures by the strength of ministerial power, notwithstanding their fatal character as regards the unredeemed debt. It is needless, however, to add that, although the acts of this session virtually put an end to the excellent principles established by Mr. Pitt for the redemption of the debt, yet no other part of the suggestions promulgated by Mr. Vansittart, as a new plan of making each successive loan carry its own redemption, was ever carried into effect.

The amount raised for the public service for the year 1813, including loans of £29,000,000, was the enormous sum of £102,000,000, from similar sources of taxation to those before detailed ; and from a statement returned to parliament, the amount raised for the army, navy, and ordnance, for this year, was £58,000,000 ; 15-17ths of which are stated to have been raised by Great Britain, and 2-17ths by Ireland.

Vast, however, as was this amount, it was surpassed in the two succeeding years ; for although the principles of taxation and the sources of revenue remained the same to the close of the war, the *average* expenditure of these three years, 1813-15, amounted to £132,000,000 in each year, with a cost of about £5,000,000 for collecting :—to meet which, even allowing

for the partial assistance of loans, the largest amounts by far were raised that the country has ever witnessed.

Happily for mankind and the interests more especially of the people of this nation, we approach the period when the long and arduous struggle in which Europe had been engaged, and such vast treasures been expended, was to close, and leave the exhausted world at peace.

It was with that satisfaction which only a people overburthened with taxation can know, that the chancellor of the exchequer mentioned in the session of parliament in the early part of 1815, that he did not intend to renew the property-tax, the act as to which expired in the April of that year. He stated that that very night would relieve the country of a taxation of £9,000,000; and it was with a joyful unanimity that the house and the people of England looked forward to a lessening of the almost intolerable burthens with which they were overwhelmed in every rank and station. It was on this occasion that Mr. Tierney made his celebrated peroration, "that he begged pardon of God and of the public for the part he had taken in imposing the property-tax in 1806."

1815 to 1852.

The escape of Buonaparte from Elba, which took place on the 26th of February, 1815, rapidly blighted the hopes that had been thus entertained, and lighted again the torch which should once more set Europe in a blaze, and renew the horrors of war. The event occasioned the greatest consternation; nevertheless, the declaration was issued with a perfect unanimity, and without the slightest hesitation on the part of either the king or the parliament, that there was no safety for England under the government of Buonaparte with his insatiable ambition. The resort to a war taxation again became immediately needful, and ample supplies were voted by the parliament. Happily, however, for the peace, prosperity, and security of the world, they were required for no long duration; as by the glorious result of Waterloo on the 18th June, 1815, and the consequent final annihilation of the power of Napoleon by the now illustrious dead and his brave companions in arms, an enduring peace was ensured to the exhausted and suffering nations of Europe.

On the 17th April, 1815, the chancellor of the exchequer came down to the house to re-impose the property-tax, which

he had so recently given notice of his intention to let expire, and which, if ever requisite, was surely so in the then circumstances and position of the nation. After very protracted debates, it was renewed for one year, viz., to the 5th April, 1816. A loan of £27,000,000 was also immediately resorted to, (the boasted plan of Mr. Vansittart, who was still chancellor of the exchequer,—that it should carry its own sinking fund,—being totally omitted,) the terms for which were for every £100 subscribed, an allotment to the subscriber of

£100 in the 3 per cents. ;
 £10 in the 4 per cents. ; and
 £44 in the 3 per cent. consols.

Amounts, it must be admitted, sufficiently onerous for a future generation, when it is considered that this debt, if now paid off, would have to be repaid with consols at par. Upon this occasion Mr. Tierney severely criticised and deprecated the plan of the chancellor of the exchequer, who had destroyed the whole of Mr. Pitt's system of finance, and overturned the sinking fund, without creating any new principle for the gradual reduction of the debt.

The statement of finance at the close of the war was as follows:

Public Income of Great Britain for the year ending
 5th January 1816,—

Heads of Revenue. Ordinary Revenues. Permanent and Annual Taxes.		Net Produce applicable to National Objects and to Payments into the Ex- chequer.		
Customs	. . . . .	£9,070,554	13	7
Excise	. . . . .	10,539,028	14	11
Stamps	. . . . .	6,139,585	8	9 $\frac{1}{4}$
Land and Assessed Taxes	. . . . .	7,609,016	10	11 $\frac{1}{2}$
Post-office	. . . . .	1,755,898	2	1 $\frac{1}{4}$
Pensions } 1s. in the £	. . . . .	19,908	15	2
and	} 6d. in the £			
Salaries		11,138	0	3
Hackney Coaches	. . . . .	24,721	9	8 $\frac{1}{2}$
Hawkers and Pedlars	. . . . .	18,516	9	9 $\frac{1}{4}$
Total Permanent and Annual Duties		£45,007,368	5	2 $\frac{3}{4}$

Small branches of Hereditary Revenue.

Alienation Fines	£10,620	7	5
Post Fines	6,284	18	2½
Seizures	9,445	7	2
Compositions and Proffers	626	15	4
Crown Lands	142,761	9	2

Extraordinary Resources.

War Taxes.

Customs	2,280,634	17	8
Excise	6,667,776	18	6
Property-tax	14,978,248	18	2½
Arrears of Income-duty, &c.	308	5	9¾
Lottery, net profit, of which one-third part was for the service of Ireland	304,651	10	6
Monies paid on account of the interest of loans, raised for the service of Ireland	3,981,783	6	2
On account of Balance due by Ireland, on joint expenditure of the United Kingdom	6,107,986	12	3
On account of the Commissioners ap- pointed by Act 35, Geo. III., cap. 127, and 37, Geo. III., cap. 27, for issuing exchequer bills for Granada	25,000	0	0
On account of the interest, &c., of a loan granted to the Prince Regent of Portugal	28,585	1	6
Surplus fees of regulated public offices	98,750	13	2½
Imprest monies repaid by sundry public accountants, and other monies paid to the public	107,836	16	10¼
Total, independent of loans	£79,948,670	0	2½
Loans paid into the exchequer, includ- ing those raised for the service of Ireland	39,421,959	2	0
Grand Total	£119,370,629	2	2½

PUBLIC EXPENDITURE.

1. For interest, &c., on the permanent debt of Great Britain unredeemed, including annuities for lives and terms of years, &c.	£	s.	d.
2. Interest on exchequer bills	41,015,527	.	.
3. Civil List :—	3,014,003	3	8
For the support of his Majesty's household, per Act 17, Geo. III.	£	s.	d.
Do. " 44	1,028,000	0	0
Do. " 52			
4. Other Cheques on the Consolidated Fund, viz. :—			
Courts of Justice	72,967	19	8½
Mint	17,450	19	5
Allowance to Royal Family	366,660	11	5¾
Salaries and allowances	60,838	9	9
Bounties	9,490	6	1
5. Civil government of Scotland	1,555,408	6	4¼
6. Other payments in anticipation of exchequer receipts, viz. :—	126,613	11	9¼
Bounties for fisheries, manufactures, corn, &c.	247,903	5	0¾
Pensions on the hereditary revenues	27,000	0	0

Militia and deserters' warrants	.	.	.	88,514	9	5	364,117	14	5 $\frac{1}{4}$
7. The Navy	.	.	.	9,082,602	11	10			
„ Victualling department	.	.	.	3,450,315	10	11 $\frac{1}{2}$			
„ Transport service	.	.	.	3,840,916	4	8			
8. Ordnance	.	.	.	.	.	.	16,373,870	7	5 $\frac{1}{2}$
9. The army, viz.:—							3,736,424	17	3
Ordinary services	.	.	.	21,333,831	10	8			
Extraordinary services and subsidies	.	.	.	12,873,553	0	0			
Deduct the amount of remittances and advances to other countries	.	.	.	34,207,384	10	8			
				11,035,147	13	1 $\frac{3}{4}$	23,172,136	17	6 $\frac{1}{4}$
10. Loans, &c., to other countries, viz.:—				7,277,032	8	8			
Ireland	.	.	.						
Austria	.	.	.	1,796,229	8	8			
Russia	.	.	.	3,241,919	7	0 $\frac{1}{2}$			
Prussia	.	.	.	2,382,823	14	8 $\frac{1}{4}$			
Hanover	.	.	.	206,590	6	4			
Spain	.	.	.	147,333	19	10			
Portugal	.	.	.	100,000	0	0			
Sweden	.	.	.	521,061	17	1			
France, Canton of Berne, Italy, and Netherlands	.	.	.	78,152	14	2			

Minor Powers, under engage- ments with the Duke of Wellington	1,724,001	8	4
Miscellaneous	837,134	17	0
	<hr/>		

11,035,247	13	1 $\frac{3}{4}$
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3,074,471	6	10 $\frac{1}{4}$
296,707	6	10 $\frac{1}{2}$
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18,312,280	1	9 $\frac{3}{4}$
3,371,178	13	8 $\frac{3}{4}$
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110,269,028	6	6 $\frac{3}{4}$

11. Miscellaneous services at home

Deduct sums, which, although included in this account, form no part of the expenditure of Great Britain, viz.:—

Loans, &c., for Ireland	7,277,032	8	8
Interest £ per cent., and management on Portuguese Loan, per act 49th Geo. III., c. 71	57,170	3	0
Sinking Fund on loan to the East India Company	126,531	13	0
	<hr/>		

7,460,734	4	8
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£102,808,294	1	10 $\frac{3}{4}$ *
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* This includes the sum of £409,765 14s. 8d. for interest, &c., paid on Imperial Loans.

The Public Funded Debt of Great Britain, as the same stood on the 1st February, 1816.

Total Capitals.

Total debt of Great Britain	£724,092,611	16	1 $\frac{3}{4}$
Ditto Ireland, payable in Great Britain	103,032,750	0	0
Ditto amount of loans to the Emperor of Germany, payable in ditto	7,502,633	6	8
Ditto, ditto, Prince Regent of Portugal, payable in ditto	895,522	7	9
	<hr/>		
	£835,523,517	10	6 $\frac{3}{4}$

In the hands of the Commissioners for the reduction of the debt £40,392,540 0 0

Transferred to the Commissioners by the purchasers of life annuities, pursuant to Act 48, Geo.III., cap.142 3,097,551 0 0

43,490,091 0 0

Total charge for debt, payable in Great Britain £792,033,426 10 6 $\frac{3}{4}$

In addition to the above also, there were outstanding and due to the public on annuities for lives and terms of years £1,662,959 1 1 $\frac{3}{4}$

UNFUNDED DEBT.

An account of the unfunded Debt and Demands outstanding on the 5th January, 1816.

Exchequer.	Amount outstanding.
Exchequer bills provided for	£19,772,800 0 0
Ditto unprovided for	21,669,100 0 0
	<hr/>
Forward	£41,441,900 0 0

Treasury.		Brought forward .		£41,441,900	0	0
Miscellaneous ser-		£530,535	1	10 $\frac{3}{4}$		
vices						
Warrants for Army		20,616	15	5		
services		1,005,514	12	6 $\frac{3}{4}$		
Treasury bills					£1,566,666	9 10
Army					1,030,109	3 8
Barracks					125,005	13 0
Ordnance					876,857	7 4
Navy					3,694,821	5 7
Civil List advances				(Nil)		
						<hr/>
						* £48,725,359 19 5

The time had at length arrived when universal peace was proclaimed to the nations of Europe, which, with the exception of England, had experienced the most fatal disasters during the progress of the war, and most of which were weighed down with an intolerable load of debt and taxation occasioned by its unparalleled extent and duration.

The immediate and primary object at the opening of the session of parliament, in 1816, was the taxation and financial position of the country; and, above all, to consider the removal of the property-tax—a tax that had become so odious, that the bare introduction of its name was characterised by one of the members (Mr. Grant) as insulting to the sense and feelings of the nation. Petitions from all parts of the country poured into the house for its removal; one of enormous size being presented by Mr. Brougham; one also from the city of London, who, by their sheriffs, presented a petition at the bar of the house, setting forth, “That the petitioners had learnt with the most serious alarm, that it was the intention of his Majesty’s ministers, in violation of their assurances and the solemn faith of parliament, to propose to the house the continuance or modification of the tax upon income, commonly called the property-tax; and that having so frequently represented to the house their abhorrence of the measure, both with respect to its principle and operation, and the evils it had produced, they trusted it was not necessary to enumerate the grievances resulting from it; and that the partiality and injustice of taxing, in the same proportion,

* * The above financial accounts, are from the Annual Register “State Papers, 1816,” vol. 58, page 420, et seq.

incomes of a short duration arising from personal industry and temporary and uncertain sources, and those arising from fixed and permanent property, was, they conceived, too evident to be denied, and that the tax had become altogether insupportable." Mr. Tierney and Mr. Brougham also in very eloquent speeches took part in the same advocacy; and the Marquis of Lansdowne presented a petition against it from the Society of Friends, which was rejected by reason of its being addressed "To the Upper House of Parliament," instead of "To the Lords Spiritual and Temporal;" a manner of speech which the worthy petitioners conceived was a mode of address that ought to be used only towards the Supreme Being.

The above forcible language employed by the petitioners from the city of London, so clearly illustrates the then temper of the times, and so appropriately speaks the prevailing impressions of the present day, respecting the injustice of taxing uncertain incomes at the same ratio as realised property, that it has been here given in *extenso*. Indeed, such was the tide of national opinion on the subject of this odious tax, that the opposition to it by all classes became overwhelming; and the popular voice against it became so determined and unequivocal, and through the various constituencies so acted upon and influenced their representatives in the house, and at length, on the 18th of March, 1816, the chancellor of the exchequer and the ministry, on a motion for its continuance, and a reply from Mr. Wilberforce (memorable from the shouts of approbation it elicited), were defeated by a majority of thirty-seven; declared amidst the greatest cheering and the loudest exultation ever witnessed within the walls of the English senate. Such was the fate of a tax odious and unpopular to the last degree, and ever considered and pledged as a war-tax; but which it remained for future history to record among the anomalies of finance and the inconsistencies of statesmen, as imposed, ere many years were passed, in a time of profound peace, by a professedly peaceful minister, and afterwards continued by his successors, and submitted to by the public with a patience and even resignation under its present inequitable distribution amounting to absolute indifference.

The financial position of England in 1817, as might be reasonably anticipated from the recent conclusion of a war of such lengthened duration and lavish expenditure, was one of extreme depression and difficulty; and the committee

appointed to consider its monetary position had to report to the house a deficiency in the taxes of upwards of £17,000,000, (principally caused by the loss of the property-tax,) with a national debt of £800,000,000, besides annuities, and a large unfunded debt. This state of public affairs, which would have been overwhelming with countries of less commercial prosperity and resources, was very soon replaced by an ampler public confidence, through the restoration of order and the certainty of peace; and such was the spring and impetus of this assurance in the ability of the nation to rise superior to its burthened condition, and under good government and an inflexible honesty to meet and remove all difficulties, that funded securities (borrowed, it will be remembered, at very low rates by the nation) rapidly increased in value; insomuch that the great funded proprietors sold out largely at high prices, and invested instead in land, which, through the apparent certainty of lasting peace, had become an object of desire, and consequently its value greatly enhanced.

The union of the English and Irish exchequers, which had hitherto been kept separate, took place at this time; and in the following year the customs were consolidated, (the last consolidation of the customs having taken place in 1809,) and a reduction in taxation on manufactured goods from 70 per cent. to 50, and on unmanufactured goods from 30 per cent. to 20, was conceded by the minister.

Much objection was taken at this time by the legislature to the mode and system of raising loans, and of having to borrow a sum of £14,000,000 in the third year of peace; and many reflections were cast upon the bad management of the crown lands and revenues, and upon money being borrowed at $4\frac{1}{2}$ per cent. when it could have been obtained at 4; and Mr. Brougham, in eloquent language, protested against the continuance of such a state of things, and (above all) against the continuance of raising money by lottery for the use of the state. The net produce of income arising from customs, excise, stamps, sugar, houses and windows, inhabited-house duty, servants, carriages, horses for riding, &c., was near £50,000,000. The expenditure near £69,000,000. The debt about £780,000,000, including £7,500,000 lent to the Emperor of Germany; the annual charge thereon near £44,000,000, and a very large amount of unfunded debt.

The meeting of the new parliament took place on the 14th of June, 1819; and Lord Castlereagh, on moving the

appointment of a select committee of finance, entered into a panegyric upon the flourishing state of the revenue and of the country, which, considering the real deficit of income over expenditure, and the overwhelming character of taxation and amount of debt, was little short of a reflection on the good sense of parliament. Mr. Tierney, who at once perceived the fallacy of the statements presented, stated his opinion that the finance committees, who were mostly the minister's friends, had done and would do nothing; and that their object was to make splendid promises without realizing anything advantageous; and a protest was entered against the purpose of government issuing exchequer bills (which, it appears, was a favourite scheme of the time) for buying stock at 80 to pay off loans borrowed at 52. Commentary would be useless on a state of finance so palpably wrong, which has, nevertheless, more or less continued to be adopted in subsequent years; and nothing can more forcibly illustrate the necessity for the entire revision of our taxing and financial system.

At this time the expenses of the collection of the revenue were enormous, being returned at upwards of £4,000,000, or 7 per cent. upon the £60,000,000 of revenue; nor need we wonder, therefore, when the mind of the nation was thus set upon retrenchment in its expenditure, that such a state of things should attract the attention of the house; especially as, from a motion submitted to them by Sir William de Crespigny, it appeared that great frauds were practised by collectors, assessors, surveyors, commissioners, and clerks connected with the assessed taxes, by which considerable losses were sustained by the country.

In the year 1819, a motion was made by Mr. Grenfell, on the subject of the sinking fund, which he characterised as the most splendid feature in Mr. Pitt's financial policy. This system of Mr. Pitt's, he stated, had been acted upon for twenty-seven years; but in 1814 came the plan of Mr. Vansittart, which, by its profuse public expenditure, had sapped the principles upon which the former able statesman had legislated, and had thereby, in fact, left no sinking fund at all. Indeed, nothing could exceed the financial errors of the ministry of this period; and it would be impossible to put them in a truer light or more forcible position, than in the words of Mr. Grenfell's speech on this occasion:—"The commissioners (he stated) were sent four times a week into the City to purchase stock; let it be remembered

they bought with borrowed money—the money borrowed from the loan contractors ; for their money they got stock ; with their new stock they bought old stock ; this was creating a new debt for no other purpose than to destroy an old one ; selling new stock cheap to buy old stock dear ; buying at a very high rate of interest to pay off a debt contracted at a very low one.” It was also urged with unquestionable truth, that with £800,000,000 of debt, and in the fourth year of peace, we ought to have had a real and effective sinking fund, not a nominal one ; and that by a prudent taxation the debt might, without adding to the national pressure, be put in a state of gradual and permanent reduction. The effect of this lesson on the government of the day may be inferred from their taking up at the time a loan of £12,000,000, at the terms of £142 18s. of 3 per cent. stock for each subscription of £100 sterling : leaving these improvident bargains, made without any redemption fund, as a legacy to be repaid by posterity. The duty on tea was increased at this time from 97 to 100 per cent., as also that on pepper and distilled spirits ; and thus were the promises of 1816 to the country met by the imposition of fresh taxes. All opposition to them, however, was rendered useless by the strength of the then ministry of Lord Liverpool, in which the names of Wellington and Canning were combined, and which, by the great patronage and power held by them, were able to secure at all times the most powerful majorities upon any government measures.

The great expense of the colonies formed a subject of interesting inquiry at this time ; and it was suggested by many that they should be compelled to support themselves upon the principle of the Dutch, whose governor of the Cape of Good Hope, Jansens, had done so with that colony before it was taken by the English.

On the 30th October, 1819, the Marquis of Lansdowne, in a very eloquent speech on the state of the country, powerfully advocated the necessity of revising its taxation, the distress of the nation being at this time universal ; and Lord Grenville also, in a speech remarkable for its brilliancy and sagacity, entered in the most enlightened manner on the subject of finance ; yet nothing in reality was at the time done to lighten the burthens of the people.

On the 30th January, 1820, George III. expired at Windsor, after a long reign, attended with events the most momentous in the history of this kingdom, and in which

there had grown up a taxation and expenditure alike unexampled. Nor was the prospect of affairs over-favourable for his son and successor, George IV.; who at his accession found indeed the ministry of Lord Liverpool, with Lords Melville, Wellington, Sidmouth, and Castlereagh, and Mr. Canning, in possession of power; but with them found also the agitating questions of the queen's prosecution, the now strong voice of reform in parliament, Roman Catholic emancipation, and great agricultural distress, to contend with. These great measures may be said to have so completely engrossed the legislature as to have altogether postponed and retarded the progress of financial reform; and we accordingly find continued complaints of the large expenditure for the army, which had been much increased in consequence of the disturbed state of the country; and Mr. Ricardo, in a forcible speech in parliament, reminded the ministry that after five years of peace, our expenses were increasing instead of diminishing. The very inefficient and unintelligible mode of keeping the public accounts was also not unjustly much complained of; as was likewise the cost of collecting the revenue, which still continued to be extravagantly expensive, being in England 7 or 8 per cent., and in Ireland 22 per cent., on the gross amount contributed; and Mr. John Smith, one of the members, said that the collection could be farmed at one-fifth of the then present cost to the nation, which would have been a large and evident economy.

In 1821 and 1822, several motions were made by Lord Darnley and other members for retrenchment and financial re-arrangements; and Mr. Brougham, in a speech on the distressed state of the country, especially noticed the enormous sums which had been, and still were, taken from the pockets of the people, and of the reckless manner pursued in obtaining loans, many of which had been contracted at only 50 and 60, and yet, through having since greatly risen in value, had to be redeemed by the nation at an advance on from 30 to 50 per cent.; founding thereon a practical reason that the fund-holder should bear a considerable portion of the burthen of taxation as respects the national debt.

In 1823, the Earl of Liverpool, in an able speech on the finances of the country, said the time had arrived "when it became necessary to get rid of the artificial system which had till then been acted upon, to simplify the public accounts, and to establish a sinking fund upon the only true basis—an excess of income over expenditure:" the basis being that

there should be a clear surplus of income of not less than £5,000,000 ; a small sum enough, it will be admitted, considering the ratio per annum at which the debt was contracted ; but which, if it had been fearlessly established, and faithfully adhered to from the close of the war to the present time, would have materially diminished the amount of the nation's debt, and thereby placed the finances of the country in a far more flourishing and healthy condition. Notwithstanding the evident and sterling policy of such a bill as this, whereby £5,000,000 of the national debt would be annually redeemed, and the country's burthens so far each year permanently lightened, it experienced considerable opposition ; and it is not a little singular to find that great financial reformer, Mr. Hume, characterising this creation of a permanent sinking fund as a delusion, and dissenting from it accordingly. It passed, however, in spite of that opposition ; and the fact that the national debt was returned at this time at £794,000,000, proves at once, how greatly such a measure was needed, while it shows how little practical reduction had taken place after eight years of perfect peace.

Considerable reductions were made at this time in taxes pressing heavily on the public, and more especially upon the middling classes,—such as the tax on clerks and shopmen, male-servants, horses for drawing four-wheeled carriages, and (which was especially important as tending to the sanitary condition of dwellings,) a diminution of 50 per cent. from the window-duties. The amount of revenue for the year was stated at something more than £52,000,000, and was produced from excise, £26,000,000 ; customs, £10,500,000 ; stamps, £6,500,000 ; post-office, about £1,500,000 ; assessed taxes, nearly £6,000,000 ; and miscellaneous, about £600,000 ; and it may be added as an earnest of the good will obtained thereby, that the new government was warmly applauded for its financial measures, and its sound intention of diminishing the debt.

In the year 1824 a discussion took place in the house of commons respecting the loan for which the Emperor of Austria was indebted to England, during the course of which a very short reply from Mr. Secretary Canning to one of the members (Mr. James), asking for information on the subject, gave great offence to that honourable gentleman, and drew from him the retort that if the answer was not to be given to members of that house, the Emperor of Austria should appear in the *Gazette* like other bankrupts. A very

considerable portion of this loan was afterwards remitted, occasioning a great loss to the nation.

In this year also it was endeavoured to reduce the duty on legacies under £100, which was negatived; but the great financial event of the session was the reduction of the interest on exchequer bills, from 2d. to 1½d. per diem, whereby, on the amount of £30,000,000 in circulation, (to such an amount had the unfunded debt been allowed to accumulate), a saving of £230,000 a year was effected. A proposition was likewise made in this year by Sir Henry Parnell, of a plan for creating terminable annuities, varying from fifty to eighty years, and to convert perpetual annuities (funded stock); a mode of finance which, had it been adopted by Mr. Pitt in his time, or by the chancellors of the exchequer immediately succeeding him, would have now seen the country in no slight measure freed from the burthen of the national debt. A balance sheet of the revenue and expenditure of the nation, on a clearer and more comprehensive scale, was also this year presented to the legislature; the previous national accounts having been kept in a most unsatisfactory and unintelligible form.

In the year 1825, the chancellor of the exchequer, Mr. Robinson, in his financial exposition of the year, attributed the increase of the revenue which had taken place, to the increase of the population, and opened what may be deemed a free-trade prospectus, afterwards to be carried out in its larger proportions by Sir Robert Peel. He stated "that he considered there was a principle in the condition of social man which led nations to open their arms to each other, and to establish new connections by ministering to mutual convenience; a principle which created new wants, stimulated new desires, sought for new enjoyments, and, by the beneficence of Providence, contributed to the general happiness of mankind." "This principle might be impeded by war and its calamities; it might be diverted by accident from its natural channel; it might be counteracted (as experience has shown) by the improvidence of mistaken legislation; but it was always alive, and had a perpetual tendency forward; and when we reflected upon the facility which had been given to its operation by the recent discoveries of modern science, and by the magical energies of the steam-engine, who could doubt that its expansive progress and its effects would be permanent?" "By the extension also of our intercourse with foreign nations, the country was convinced of the good sense

which dictated the policy of getting rid both of positive prohibitions and prohibitory duties, and thus to strike, as it were, from our recollection all those errors and prejudices which had so long shackled the energies of our own commerce, and restricted the productive industry of the world." One of the objects, he especially stated, which the British government had in view by these measures "was by the diminishing the duties upon foreign produce, to set an example to other governments, instead of heaping restriction upon restriction." To this manifesto of free trade principles the chancellor of the exchequer, with great naïveté, added, that "he did not wonder at the inaptitude of other countries in accepting the doctrine, as he could not forget how long we had been ourselves before we had seen the error of our ways, and shaken off our ancient trammels; but that what was sound in principle, and beneficial in its results, would sooner or later become the rule in the intercourse between nations."

Sentiments so just, and a judgment so true in political economy, and so connected with the best interests of nations, it would be difficult to match; and they were alike honourable to the mind of the speaker as to the free country to whom they were addressed.

The prospect presented by the revenue at this time was very flattering, and a very large increase took place in the produce of the customs and excise by positive consumption alone; a certain result of the greater resources of the community, and consequent happiness of the country under a peaceable state of the world. From a tabular view of the consumption under the lower scale of duties, it appeared that there had been an increase on British spirits of 60 per cent.; on bricks, 40 per cent.; on wine, 5 per cent. only (the duties being particularly heavy on French wines); on table-beer, 20 per cent.; on wrought plate, 15 per cent.; and on other articles in similar proportion.

The revenue of this year was computed at £56,000,000, raised from similar sources of taxation as in preceding years, viz., excise, customs, stamps, &c.; and the items of expenditure for the year were

Interest on debt	£27,233,670
„ on Exchequer Bills	40,000
Civil List, &c.	2,050,000
Half-pay Annuities	2,800,000
Sinking Fund	5,486,654

£37,610,324

Supply.			
Interest on Exchequer Bills	.	.	820,000
Army	.	.	7,911,751
Navy	.	.	5,983,126
Ordnance	.	.	1,376,641
Miscellaneous	.	.	2,300,000
			<u>£56,001,842</u>

An increase in the army estimates is observable this year by reason of a portion being applied to training the English and Scotch militia; a force too important to the interests of the nation to be neglected, and which ought to be, and is now again being fostered, as forming a nucleus of internal power and defence.

So prosperous a state of the revenue enabled the remission of the duties on coffee, which had been very highly assessed, and the consumption of which in consequence became largely increased; as also the remission of the tax upon houses under £10 per annum, whereby 171,705 houses inhabited by the humbler classes became exempt, at the sacrifice of £90,000 per annum only of revenue. A reduction in the window-tax also took place, to which impost it appeared by the statistics then published, that no less than 973,687 persons were assessed, a large proportion of the houses having no more than seven windows each; and by the judicious remission of £145,000 of revenue, no less than 635,936 persons were set free from this tax on light, who not only became thereby exempt from the burthen, but were also released from the interminable vexation of surcharges, litigation, legal distress, and perhaps also imprisonment. The result of the whole of this memorable and happy choice in the reduction of taxation, under the chancellorship of Mr. Robinson, was agreed to and received with the enthusiasm it merited by the house of commons; and the amounts conceded were a

Reduction on Hemp	.	.	£100,000
„ on Coffee	.	.	150,000
„ on Wine	.	.	230,000
„ on British Spirits and Rum	.	.	750,000
„ on Cyder	.	.	20,000
„ on Assessed Taxes	.	.	276,000
			<u>£1,526,000</u>

An attempt was at this time also made to obtain a repeal of the beer duties, but it obtained no favour with the houses; and the

above duties being considered as more beneficial to the people at large, their remission met with unanimous approbation.

The excess of overtrading which followed this condition of prosperity, and the passion which prevailed for joint stock companies and bubbles of every description, rendered the year 1826 one of melancholy retrospect to the commercial world, and ended in a lamentable monetary crisis and the bankruptcy of many eminent mercantile houses. The revenue of the country was, notwithstanding the private ruin entailed by these disasters, but slightly affected; and amounted in customs and excise alone to about £37,000,000; stamps, £7,500,000; being a very large increase from these sources; and with post-office and miscellaneous revenue, to about £57,000,000 in all; and the expenditure was placed at something exceeding £56,000,000; the public funded debt at £778,000,000.

In the financial exposition of this year, the chancellor of the exchequer laid before the house a very clear account of the reduction of taxation which had taken place since the year 1816, by which it appeared there were repealed or reduced:—

In 1816.*	The Property Tax	.	.	£14,320,000
	War Malt Duty	.	.	2,790,000
	War Customs Tonnage and			
	Coasting Duties	.	.	828,000
	Reduction of Assessed Taxes in			
	Ireland	.	.	35,000
	Diminution of Duty on Malt and			
	Spirits in ditto	.	.	315,000
	Total in 1816	.	.	£18,288,000
1817.	Shop Windows and Husbandry			
	Horses	.	.	289,000
1818.	Assessed Taxes in Ireland	.	.	236,000
1819.	Taxes were laid on to the amount			
	of £3,190,000			
1820.	No alteration took place.			
1821.	The Agricultural Horse Tax lessened			
	the burthens of the farming classes			480,000
1822.	The Duty on Malt reduced 1s. per			
	bushel	.	.	1,400,000
	A large portion of the Salt Duty			1,295,000

* Hansard's Debates. Anno 1826.

NOTE.—The continuation of the Account of Taxes repealed, reduced, or imposed, to the year 1852, will be found in the Appendix hereto. Pages I to VII.

	Half the Leather Duty	£300,000
	The Tonnage Duty	160,000
	The Tax upon Hearths and Win- } dows, Ireland }	220,000
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	Total in 1822, £3,355,000	
1823.	Various Assessed Taxes in England	2,250,000
	And the whole in Ireland	100,000
	Duties on Spirits in Ireland and } Scotland }	800,000
	On Small Branches of the Customs	50,000
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	Total in 1823, £3,200,000	
1824.	Duties diminished on Rum	150,000
	Coals	200,000
	Law Stamps	200,000
	Wool	350,000
	Silk	527,000
	Union Duties	300,000
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	Total in 1824, £1,727,000	
1825.	By relinquishment of the remainder of } the Salt Duty }	200,000
	On Hemp	100,000
	On Coffee and Cocoa	150,000
	Wine	900,000
	British Spirits and Rum	1,250,000
	Cyder	20,000
	Assessed Taxes	276,000
	And finally on Customs on various minor Articles of Commerce	250,000
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	Total in 1825, £3,146,000	

Making a grand total of taxes repealed from 1816 to 1825 of £30,712,000, less the £3,190,000 imposed in 1819, for the purpose, as it was then alleged, of establishing an *efficient* sinking fund.

It would appear, however, that comparatively little attention was paid to the reduction of the debt; each successive minister seeming to consider the temporary approbation obtained by the remission of taxation to be all-sufficient; and we may judge of the small progress made respecting this important and oppressive yet uncared for burthen, from the fact that from 1817 to 1826, a period of nine years, an

amount of £27,000,000 only of the national debt, either funded or unfunded, had been reduced; it being in the former year £846,500,000, and in the latter, £816,500,000.

In this session of parliament was effected the most extensive alteration ever made in the laws of the customs, several hundred acts of parliament relating to which were, by the joint exertions of the chancellor of the exchequer and the then secretary of the treasury, reduced to about six clear and intelligible acts; a precedent that it would be the height of wisdom to follow, by expunging from the overwhelming and confused mass of our statute law all obsolete and useless enactments, and condensing in a scheduled practical form, under separate heads, the acts relating to the revenue, and to legal, commercial, political, and financial subjects.

A funding of exchequer bills took place in this year, for the purpose of relieving the bank from the advances made to the government, which was done by the creation of stock bearing an interest of 4 per cent.; and by this operation £8,500,000 was added to the national funded debt, and an increased charge of £342,400 per annum created.

The principal feature of this portion of the session was a motion of Mr. Hume's, on the state of the nation, embodying a string of not less than forty-five resolutions regarding the finances; and in which, after stating that, in the eleventh year of peace, the people were actually paying £1,000,000 more annually than they had done in the years which immediately followed the conclusion of the war, he justly observed that it was to the excessive taxation, rather than to any other cause, that the real source of the distress of the country must be ascribed. Under this motion we also find the true statistics of the then state of the national debt, the computation being taken from the 1st January, 1817; when, to use the honourable member's words, "the exchequer accounts were freed from that obscurity which had so long been a disgrace to the country."

In 1817, the public funded debt of the			
United Kingdom, was			£796,200,191
Unfunded			50,564,787
			<hr/>
			£846,565,078

In January, 1826, the capital of the funded			
debt was			£778,128,628
Unfunded			41,309,030
			<hr/>
			£819,437,298

At the same time the statistics of the cost of collection of revenue is given, which appeared to be on the gross receipts—

Customs	.	.	.	per cent.	£7	7	9
Excise	.	.	.	.	4	16	0
Stamps	.	.	.	.	2	6	11
Taxes under Management of Commissioners							
of Taxes	.	.	.	.	5	11	10
Post-Office	.	.	.	.	25	11	10
Crown Lands	.	.	.	.	9	3	2

The meeting of the new parliament took place on the 14th of November, 1826; and the opening of the following year found Mr. Canning secretary of state for foreign affairs under Lord Liverpool's ministry, with the corn-law and the Roman Catholic emancipation questions entirely engrossing the attention of the legislature; but the Earl of Liverpool having been compelled through illness to retire from the ministry in February, the distracted state of parties—that bane of progress and improvement—on Mr. Canning becoming minister, and the frequent and rapid changes caused by the resignation of his colleagues, his coalition with the Whigs, and subsequent early death,* prevented anything important relative to the financial affairs of the nation from being done, until the meeting of parliament in the session of 1828, when, under the sixth change of administration within the space of eighteen months, Mr. Secretary Peel, on the 14th of February, moved for a financial committee, which he stated had been uniformly done since 1796, at intervals of about ten years; and in his speech, referring to the statement made by Mr. Hume, he informed the house, that “no man was more desirous than he was to see the public accounts presented in the simplest form; and he saw no reason why we should not follow the example set us in that respect by France,” (the system of keeping the public accounts in which, as also in Holland, was regarded as nearly approaching to perfection); “and by the United States of America, and he was quite certain that we should do well to profit by such

* Mr. Canning expired on the morning of the 8th of August, 1827, at the Duke of Devonshire's villa, at Chiswick, in the same house in which Mr. Fox had breathed his last; and presents in his person one of the most impressive lessons that the history of politics affords of the vanity and uncertainty of ambition.

example." The principal object of this select committee was to inquire into the public income and expenditure, with a view to measures of reduction; upon which Mr. Hume, with a happy sarcasm said, "that seeing there were twenty departments, there ought to be at least ten select committees;" and as Sir Charles Long (afterwards Lord Farnborough)'s committee had been occupied five years with the customs and excise alone, and with no other department whatsoever, there was in truth not much practical good likely to arise from one committee on so vast a subject.

In the course of the debate on the budget, the severest censure was passed on Mr. Vansittart's scheme of "the dead weight,"* (as it was termed) created in 1822, which reflected the highest disgrace, in a financial point of view, on all parties connected with it. The details of this scheme are too intricate to be inserted in this place; but it was in fact a plan of borrowing £5,000,000 a year wherewith to establish a sinking fund for the country to purchase its own debt, upon the consideration of a large deferred annuity to be paid to the bank, the effect of which was proved in the debate on this question to have resulted in considerable ultimate loss to the nation.

One of the good effects of the appointment of this committee was the discovery that the public had been regularly losing a considerable sum of money by the system on which government annuities had been granted, to the extent, indeed, it was stated, of not less than £8,000 a month. These annuities, which had been granted in pursuance of a bill introduced by Mr. Perceval in 1808, had been calculated on the duration of life as given in Dr. Price's tables; but it was now ascertained either that these tables were originally inaccurate, or that human life, especially that of females, extended to a longer period than formerly, and thus the annuities had been sold at too low a price. It would be superfluous to add that nothing could be done to alter those which had been already granted; but an act was forthwith passed that no new annuities should be created, until a more correct system should have been settled. An enormous loss had thus accrued by this great financial error, which it would seem reflected but small credit on the discernment of the officers entrusted with

* For an account of the Dead Weight, vide act 4, Geo. IV., c. 22; also in Mr. Huskisson's speech on the national debt bill. *Hansard's Parliamentary Debates*. Vol. 19, 3rd series, p. 1704.

this branch of public business ; and the country was deeply indebted to the appointment of this committee for the timely discovery of so great a mischief. The members of it were the chancellor of the exchequer (Mr. Goulburn), Mr. Tierney, Mr. Herries (who had the principal credit of the discovery), Sir John Newport, Mr. Ward, Lord Althorp, Mr. Ashurst, Lord Lowther, Mr. Hume, Lord Howick, Sir Edward Knatchbull, Mr. Maberley, Mr. Home Drummond, Mr. Bankes, Mr. Baring, Mr. Robert Palmer, Mr. Lyttleton, Mr. Vesey Fitzgerald, Sir Henry Parnell, Mr. Wilmot Horton, Sir M. W. Ridley, Mr. Stanley, and Mr. Secretary Huskisson.

The chancellor of the exchequer, Mr. Goulburn, on entering into his financial statement for the year, noticed the condition of the sinking fund, in respect of which there was a deficiency ; and with much *naïveté* informed the house that “ this deficiency had not now occurred for the first time ; it was a matter of which parliament had long been cognizant, and which it had long permitted to exist.” He also further mentioned that, if it were then impossible to supply the deficiency of the sinking fund by means of additional taxation, and it were considered inexpedient to add to the funded or unfunded debt, it appeared both to him and the committee of finance, that there was no alternative but to commence from the then present period to reduce the nominal amount of the sum applicable to the purposes of the sinking fund, to that of the actual surplus income. And thus we trace how, and in what regular degrees that great protection of the nation, a redemption-fund, so wisely established by Mr. Pitt, dwindled away through the infirmity of purpose of succeeding financiers ; at first only postponed or tampered with, until (we may almost say) destroyed by Mr. Vansittart ; and after being once again revived, now brought by Mr. Goulburn to the uncertain action of a possibly surplus revenue.

The sources from which the revenue was derived to the 5th January, 1828, were customs and excise duties, stamps, post-office, assessed and other minor sources of taxation, amounting in the whole, for the United Kingdom of Great Britain and Ireland, to the gross sum of nearly £68,000,000. The capital unredeemed of the public funded debt (including the £7,500,000, raised in 1824,) was nearly £778,000,000 ; and the total annual charge, including the sinking fund and pensions, nearly £36,000,000. The numerical force of the

army in 1828, was stated to be 98,000 men, and that of the navy 30,000.

The year 1829 was almost entirely politically engrossed by the legislature on the Romanist emancipation question, which, after much opposition in the house of lords, who had hitherto made the most steady and uniform resistance upon it, was passed under the Duke of Wellington and Mr. Peel's auspices, (the latter of whom in consequence lost his seat as representative of the University of Oxford;) and with much reluctance received the royal assent. The total absorption of the public mind and of the time of the legislature by this measure, left no leisure for financial plans; and nothing of prominence was in consequence brought before parliament in this session on that subject.

The chancellor of the exchequer's financial statement for the current year was favourable to the nation, inasmuch as a considerable surplus was found available to the purposes of reduction of taxation, and he stated that £2,400,000 of surplus revenue (1829), and permanent annuities to the extent of £2,700,000 had been converted into terminable annuities, which would, in the course of 30 years, relieve the country from a portion of its debt to that amount.

In the beginning of the year 1830, under the Duke of Wellington's ministry, with Mr. Goulburn as chancellor of the exchequer, and the Earl of Aberdeen as foreign secretary, the greatest agricultural distress prevailed throughout the country; the condition of the people was described by the Duke of Richmond in a speech of the time as most deplorable; and it was also stated by Earl Stanhope, in the debate on the state of the nation, that the poor-rates in some parts of Buckinghamshire were at that time 30s. an acre, and that artisans were working for 2d. a day; and upon his attributing the distress to the corn laws, the Duke of Wellington stated in his place in the House of Lords, that "the corn laws could not be repealed without injury to the country."

In this session of parliament also, Sir James Graham strongly advocated the reduction of public salaries; very extensive patronage being exercised and large salaries given by the ministry, thereby increasing the expenditure of the nation. He adduced as evidence of the enormous increase of the officers and employées of the public service connected with the revenue, that in 1797 there were 16,267 employed, and that their salaries amounted to £1,374,561; whereas in

1827 there were 22,912 persons employed, whose gross salaries amounted to £2,755,000; wheat being at the former time 105s. a quarter, and at the time of this statement 55s. a quarter. The number of useless offices, the amount of pensions and of overpaid public officers, particularly in the revenue departments, was, in fact, at this time a scandal to any government.

In this session also, great complaints were again made of the extravagant expenditure and total want of economy by the government; and it was stated that the governor of the Cape had a salary and emoluments equivalent to £20,000 a year; and that eight commissioners of stamps not agreeing among themselves, the government discharged and *pensioned* the whole of them, and appointed a new board more numerous than the former, and at higher salaries. There can be no doubt that greater patronage and a larger amount of expenditure and less economy, took place under the government of the Duke of Wellington and Mr. Vansittart, than under any other of modern times; and very strong language was resorted to by the opposition in the house of commons, particularly by Lord Althorp, who, in a committee of ways and means, boldly asserted "that although he did not expect any administration would ever make a sufficient reduction of its own accord, the house must compel them;" and that "the commons should recollect that the best way to prepare for war, was by filling the pockets of the people, and not by keeping up our military establishments on the same enormous scale as at present."

Constant debates and motions were made at this time on the general distress, and on the subject of taxation; and Mr. Baring asked if "we were to go on for ever without making an effort to get rid of the load of debt, which weighed down the energies of the country."

One of the most instructive and pertinent speeches on the latter subject, as to the injudicious taxation of the country, was also made in this session of parliament by Mr. Poulett Thomson, who cited the condition of Holland,* which, from having contracted enormous debts by expensive wars, slowly but steadily declined through oppressive taxation and a heavy public debt. He stated the decline of that country, of France, and of Spain, as mainly

* La Richesse de la Hollande par M. Lusac.

attributable to a false principle of finance ; and with an admirable satire on the financial system of England, sought to obtain his desired object—a total revision of our taxation,—by an analogy of the position of England at this time with that of Holland at the time referred to. So great, it appears, was the anxiety of the Dutch government to acquire information on this important subject, that various commissioners were appointed to proceed to other countries for the express purpose of investigating and framing a system of finance ; and one of the most interesting reports which was perhaps ever presented in relation to it, was that made by these commissioners, in 1751, to William IV. of Holland. He (Mr. Poulett Thomson)* had already referred to the state of Holland, and he might appeal to France and Spain ; all the writers of that country—Ulloa, Usteritz, and others, having concurred in the opinion that the decline of Spain was more to be attributed to the imposition of the Alcala, (the most odious tax ever imposed in any country,) than to any other circumstance whatever ; and the flourishing condition of Catalonia and Valencia, where it did not exist, amply confirms this view. “Sully, Vaubane, Turgot, and others, agree in attributing the miserable condition of France to the system of taxation, more than to any other cause ; but to the *incidence*, and not to the *amount*.” “It is not,” added Mr. Thomson, in reference to England, “of the *amount* of revenue that I complain ; it is not the *extent* of taxation ; it is the *manner* in which you raise it which checks your industry and destroys your energy ;” and it was indeed reserved for Mr. Vansittart to show, by his administration, the soundness of Swift’s remark, that “the arithmetic of the exchequer is not like the arithmetic of common life.” “It was, indeed, easy to believe that the statesman who could gravely propound the astonishing proposition, that the one-pound-note and a shilling were worth the guinea which was currently sold at 27s., and the house of commons which could sanction such a monstrous absurdity, should not have been difficult in coming to an understanding upon other matters of finance as preposterous as ridiculous.” “The manner in which, in the days to which he (Mr. Poulett Thomson) alluded, taxation was imposed, was truly ludicrous ; the legislature seeming to treat taxes as an amusing game.” “Surely here we have proof,” added this clever exponent of these inconsistencies, “that our

* Mr. Poulett Thomson’s speech : Hansard’s Debates.

taxation has been imposed without much consideration, and upon no very definite principles, and at the same time a convincing necessity of a total revision of our financial system."

The five great sources of exciseable revenue in England were derived in the year 1828, from

Sugar	.	.	.	.	.	£5,002,000
Tea	.	.	.	.	.	3,177,000
Tobacco	.	.	.	.	.	2,793,000
Foreign Spirits	.	.	.	.	.	2,921,000
Wine	.	.	.	.	.	1,699,000
						<hr/>
						£15,592,000

And as a proof of the impolicy of high duties, almost amounting to prohibitory, it appeared that a century ago 14,000 hogsheads of Bourdeaux wine were consumed in England; whereas at this time in consequence of the high duties, only 1,400 hogsheads were consumed.

The consolidation of the stamp acts, which had been promised by the chancellor of the exchequer, was found to be a work of so much labour, involving no less than 152 acts, that although urged in this session of parliament to commence with those relating to the assessed taxes, it was found impossible, and he declined the task:—affording ample proof of the necessity of a total revision of our statute-book by the repeal of all acts relating to the revenue, and the uniting them into the simplest form in one new general enactment. The unequal assessment of the land-tax was also brought before the legislature, from which it appeared that the parish of St. Paul, Covent Garden, was assessed at 2s. 4d. in the pound, and many others in a similar and larger amount, whilst the parish of St. Pancras was assessed at the small sum of twopence in the pound; and the wealthy parish of St. Marylebone at the sum of about three farthings: an inequality of taxation which no equitable system of finance could permit to remain.

On the 26th of June, 1830, his Majesty George IV. died at Windsor, and William IV. became king; shortly after whose accession Earl Grey's ministry, emphatically called the Reform ministry, came into power, and retained it for upwards of three years; during which time the nation was agitated and convulsed to its very centre upon the subject of

changing those institutions which had existed for ages, and whose principles, under the Tory government, had so long been dominant in this country, and any change in which that party had hitherto so long and effectually resisted. The all engrossing subject of reform, like that of its predecessor, the Romish emancipation question, at this time almost absorbed the attention of both the legislature and the country, and left small space for financial considerations; but we find Lord Goderich, in a speech on the subject of finance in this session, stating his firm belief that the only way to secure a solid financial position, was the practical revision of the whole system of taxation, and the reduction of expenditure to a considerable extent.

The principal debates in parliament, on the subject of remission of taxes at this time, were about the sugar duties, which it was thought material to the West India interest to modify, and also on the sale of beer bill; the former duties, after considerable discussion and difference of opinion, being reduced to the extent of £500,000, and the latter in the very large amount of £3,000,000.

Among the speeches on this latter question, there is a very characteristic one by Mr. Brougham, advocating the repeal of the 5s. fine for drunkenness, on the ground that by fining a man for getting drunk upon beer, and omitting all penalty for those who tiptoed claret and champagne, you virtually punished him, not for the intoxication, but for being so ungenteel as to prefer the more vulgar liquid.

During the year 1831, the public impatience may be said to have been at its height on the subject of the Reform bill, to the neglect of all other affairs; and great was the scene of confusion when the commons were abruptly dissolved, and the resolutions come to by the lords were adverse to the wishes of the people. A measure of considerable, although minor financial political justice had, however, been effected by a bill brought in this session by Mr. Spring Rice, who stated his gratification at being able to carry such a measure without any opposition whatever, after a similar bill had failed three sessions. The intent of it was to put an end to one of the worst remnants of the penal code—that which inflicted a double land-tax upon the Roman Catholic subjects of the empire.

Lord Althorp in his statement of the budget, which had been delayed by the political events then agitating the nation till a late period of the year, stated the expected revenue for

1831, at £47,250,000, and the expenditure at £46,756,521, leaving the very small surplus of £493,749 for the purposes of redemption of the debt; a circumstance that was fairly attributable to the reduction of taxes on coals, sugar, &c., which had been effected in this and the preceding year. This statement, however, as may be expected, found no favour from the opposition, and was complained of by Mr. Goulburn as leaving no resources to reduce the debt, the amount of which was stated at this time to be £757,000,000.

From the accounts and balance-sheets furnished to parliament, a clearer view is henceforth given of the sources of revenue and expenditure.*

The particulars of ordinary revenue in 1831, were from—

1. Customs	£17,540,322
2. Excise	18,644,384
3. Stamps	7,058,121
4. Taxes (assessed, &c.)	5,013,405
5. Post-office	1,466,011
6. 1s. 6d. and 4s. per £1 on pensions and salaries	51,266
7. Hackney coaches, hawkers, and pedlars	58,088
8. Crown Lands	
9. Small branches of the King's hereditary revenue	14,653
10. Surplus fees of regulated public offices .	44,684
11. Poundage fees, pells, fees, &c. in Ireland	9,096
	<hr/>
	<u>£48,880,994</u>

The particulars of the expenditure in 1831 were—

Interest and management of the public funded debt, (being more by £241,043 than in the year 1824)	£28,325 827
Interest on exchequer bills unfunded debt .	793,031
Civil list	899,660
Pensions (excess by £87,510 over 1824) .	465,286
Salaries and allowances	90,934
Officers of courts of justice	279,231
Expenses of the mint	14,606
Bounties	2,956

* Hansard's Parl. Deb., vol. 8, 3rd series, Appendix.

Miscellaneous	£225,942
Ditto Ireland	53,282
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	£31,150,755
Army	£6,991,163
Navy	5,309,605
Ordnance	1,613,908
Miscellaneous	1,950,108
	<hr/>
	15,864,784
	<hr/>
	<u>£47,015,539</u>

On a motion of supply in 1832, Lord Althorp stated the future financial year, which had hitherto been computed from the 5th January, would thenceforth begin on the 1st April; it being considered anomalous that some portion of the money voted should have been expended, before voted for by the house. The strong sense of parliament also on the sugar duties at this time, may be collected from the fact that, on a motion of Lord Althorp's to continue them for six months, an amendment proposed by the Marquis of Chandos, that 4s. should be taken off, was nearly carried, the minority in favour of the amendment being only 14.

On the 9th of May, 1832, the memorable resignation of Earl Grey and the Reform ministers took place, because, as was stated, "his Majesty did not think proper to follow their advice on the Reform bill;" and petitions to stop the supplies were the consequence, and a creation of peers threatened.

Lord Althorp, who was appointed chancellor of the exchequer, on introducing the budget for the year, apologised for the statement which was one that a chancellor of the exchequer had not been accustomed to announce of late years, (but which became familiar in after years, until redeemed by Sir Robert Peel's measures of 1842,)—a deficiency, occasioned (as he stated) by an increase in the army, navy, and miscellaneous estimates of the current year, amounting to about £1,200,000; but which, in fact, was caused by the present and last ministers of finance, having repealed a greater amount of taxes, than the proper sources of supply to enable such remission had warranted. The effect of this declaration was a proposition for renewal of the sugar duties; a great boon was, however, granted to the public in the year

1832 by a reduction of the duty on candles of £470,000 ; and it was in considering these anomalies of finance that Sir Henry Parnell stated that the first great practical benefit the public would derive from the reform of parliament, would be an efficient financial reform, and also in the collection of the revenue, which cost the nation upwards of £4,000,000 a year.

An illustration of the change which afterwards came over the mind of that great statesman, Sir Robert Peel, may be fitly in this place adduced ; as upon the preceding statements being made, he complimented Lord Althorp on the non-introduction of the subject of a property-tax, “ which (he observed) nothing but a case of extreme necessity could justify parliament in subjecting the people of this country to in time of peace, and to the inquisitorial process which must be resorted to in order to make that impost productive.”* Considerable interest was also taken on a motion made by Mr. Attwood on the monetary system, as it affected the nation at large ; and which elicited some very able speeches on this intricate and difficult subject.

The most interesting and instructive financial memorial of 1832, was on the debate of the army estimates. It has ever been supposed that our army is not only kept up to too large a standard in time of peace, but also that the cost incurred on its account is annually, in proportion to its numbers, greater than that of other countries ; which, by a very interesting table in reference to this subject produced and read to the house by Sir John Hobhouse during this debate, would seem to be fully verified. The table referred to is as follows :—

Expended upon the Army.	Total Number of Men.	Militia, Landwehr, or National Guards.
Great Britain £9,151,784	Effective . . 91,289	1,400,000
	Non Effective 107,076	
France . . 9,496,920	Men . . . 421,494	
	Horses. . . 82,057	400,000
Austria . . 8,000,000	Men . . . 280,000	
Russia . . 6,791,667	Men . . . 862,000	
(Pop. 49 millions)		Military Colonies.
Prussia . . 3,419,745	. . . . 117,000	
		389,000

* Speech of Sir Robert Peel on the Budget, Hansard, vol. 16, p. 342, 3rd series.

	Expended upon the Army.	Total Number of Men.	Militia, Landwehr, or National Guards.
Spain . . .	£2,530,848	Men . 51,200	Reserve } 25,000 Militia } 30,000
Holland . .	4,258,333	. . . 57,500	Schut } 12,000
Belgium . .	2,880,000	. . . 83,619	20,400
Bavaria . .	687,334	. . . 45,000	145,000
United States } of America }	1,411,335	. . . 6,802	1,190,000

It appears, therefore, that at this time of profound peace Europe and the United States of America kept under arms upwards of 2,000,000 of men as an effective force, and near 4,000,000 of militia, landwehr, and national guards, at an annual expense of upwards of £48,000,000.

In 1833 also Lord Althorp announced to the house that the administration had abolished no less than 1,387 places, and that the salaries done away with amounted to £231,406, less retired allowances, £38,000; among the places abolished were three offices, which were actually accompanied by the possession of seats in parliament, the salaries of which amounted to £21,894. The diplomatic expenses were also reduced to the extent of £91,735; but the noble lord thought it right to say, that the then ministry could not claim the credit for the whole amount of those reductions, the regulations made by the preceding foreign secretary, the Earl of Aberdeen, having reduced these expenses £34,000. The taxes remitted this session, in addition to the above reductions, (which latter, indeed, reflect no credit on former administrations, who could allow such waste of the public money or such abuses to exist), were—

On Tiles, the whole duty	£37,000
„ Marine Insurances, estimated diminution	100,000
„ Advertisements	75,000
„ Assessed Taxes, reduction of House and Window Duty on Shops	244,000
„ Cotton, reduction of additional duty imposed in 1831	300,000
„ Soap, half present duty	593,000
	<hr/> <hr/> £1,349,000

For the judicious choice of these reductions, particularly of soap, advertisements, and the assessed taxes, every praise was given to the minister.

The only further feature connected with finance during the session of parliament in this year was on a motion made by Mr. Buckingham for a select committee to consider the practicability of reducing the national debt. The scheme propounded by him was to convert all the various descriptions of stocks into one general kind, to be called a "national annuity fund," which should be a 5 per cent. stock for 100 years, reducing 1s. every year, so that at the end of that time both principal and interest should be together extinguished; and the plan was to be further extended by *the property* alone of the country being made to pay the entire interest of the debt. One observation which that gentleman made in the course of his speech is especially worthy of notice:—

"Not a session passed but there were new acts to repeal old ones, duties taken off one thing and laid on another, acts passed to amend acts, others to explain the acts thus amended, and such an interminable array of endless legislation, that no man for three months together could be sure of the law not being altered with respect to duties of various kinds, imposed for the purpose of revenue;" and he contended that the only effectual remedy to put the country in a state of prosperity would be a total change and entire revision of our system of taxation. The motion, as might be expected, was negatived on a division.

The cost of collection of the gross revenue of the country was returned this year at £6 13s. 11½d. per cent.

In 1834, Earl Grey, on the order of the day for receiving the report of the committee for the suppression of disturbances in Ireland, announced, with much emotion, his resignation, and Lord Althorp also, in the commons, gave notice of the dissolution of the Grey ministry; in consequence of which all business was postponed. And thus has it ever been and still continues to be—that the differences of party, and the frequent changes in the cabinet in this country not only prevent a firm and vigorous carrying on of the government; but also, as each party has its own particular and favourite measures, impose a frequent necessity for the abandonment of the best designs, which may be in progress for the advantage of the nation, simply because, from the above reasons, they are regarded as party measures, which must, therefore, share the fortunes of the side to which they belong.

The dissolution of the Grey ministry was succeeded by the formation of Lord Melbourne's cabinet, which was again to be superseded by Sir Robert Peel's, also in its turn (occasioned by a majority of 27 against him on the appropriation of the revenues of the Irish church), to give place to Lord Melbourne's cabinet, as re-constructed on the 12th of May, 1835; of which that nobleman was the first lord of the treasury, the Marquis of Lansdowne president of the council, and Mr. Spring Rice the chancellor of the exchequer. A remarkable circumstance attended their advent to power,—that at the meeting of parliament there was no secretary of state able to be present as possessing a seat in the commons; Mr. Charles Grant having become Lord Glenelg; Lord John Russell having been defeated in Devonshire; and Viscount Palmerston for Hampshire. Shortly after, however, Lord John Russell found refuge in Stroud, and Viscount Palmerston in Tiverton.

A great and important measure, however, connected with taxation, viz., the repeal of the house-tax, had been carried anterior to Lord Althorp's resignation in 1834, by which a very large remission of assessed taxes was made to the amount of £1,200,000, which, with the remission of other taxes, on spirits, £400,000, and some minor ones, amounted in the whole to about £2,000,000. A tax was also imposed this session upon woollens exported, and upon retail spirit-licenses, estimated together to amount to about £200,000. The amount of nett ordinary revenue and of extraordinary resources for the year ending January 5, 1834, was returned at £50,605,465, and the expenditure, £49,166,134, leaving a surplus income to be paid into the exchequer of £1,513,083. The amount of the national funded debt at this time stands returned in the public accounts at £751,658,883.

The state of parties in the year 1835 was one of extreme embarrassment. The preceding session had shown the Reform ministry in situations very unfavourable either to its stability or its respectability, by the secession, first of Lord Stanley and subsequently of Earl Grey himself; and nothing could more illustrate the state of individual partizanship, than the motion of the Marquis of Chandos for the abolition of the malt-tax; when Mr. Charles Wood, Mr. Spring Rice, and Mr. Poulett Thomson, who had all been connected with the late government, spoke against the motion, thus returning the assistance they had formerly received from Sir Robert Peel

in opposing a similar proposal ; but not without much sarcasm directed against those country members, who were now prepared to vote for the continuance of the tax, contrary to the pledges they had given at the elections ; and Sir Edward Knatchbull, paymaster of the forces, who was formerly an opponent of the tax, now supported its continuance. The motion, however, being negatived by a large majority, requires no further notice in this place.

It was not till the late period of August in this year, that the chancellor of the exchequer, Mr. Spring Rice, laid his financial statement before the house, when he informed it that there were several extraordinary and temporary charges for the present year, such as the providing present accommodation for the meetings of the legislature, in consequence of the destruction of both houses of parliament by fire ; the compensation to Danish claimants ; and the vote to the Poles ; which would swell the estimates for the year to the extent of £436,000, and thereby interfere with any extensive plan for the reduction of taxes. He stated also that in the then present condition of the revenue, with only a small surplus of £835,000 applicable to such purpose, he could not be expected to make any great reduction ; but with such surplus he proposed to graduate the duty on spirit-licences ; to effect a reduction on flint-glass from sixpence to twopence ; and to relieve Ireland from the stamp-duty chargeable on awards. These reductions, and the usual accounts of the current year, formed the whole financial features of this session ; the commentary of which, as respects any reduction of the debt, may be expressed in the now continued smallness of the surplus. The comparative insignificance of some of the then existing duties, is exemplified in that upon awards, above referred to, which was one charged upon documents much employed by the lower orders in Ireland for terminating disputes, and which produced only £500 a year when in force. Raised, therefore, from such a source, which would rather be promoted to the utmost by a really patriotic government, and yet yielding so insignificant a revenue, it with truth may be classed among those which Mr. Poulett Thomson (as noticed previously) designated as "injudicious taxation."

In the year 1836 no measures of importance were brought forward in relation to public finance. The principal motion was one made for a reduction of the pension list ; and it was stated by the mover, Mr. Harvey, in order to show the inconsistency of party, that on the accession of his Majesty

the Duke of Wellington's government had proposed that the pension list, then £143,000 per annum, should remain as it was, which proposition the opposition, including all the members of the then government, had denounced as one of the grossest extravagance, and had carried a motion for a select committee to inquire as to the feasibility of reducing its amount. In consequence of that vote the ministry resigned, and their opponents, on assuming office, began actually to make the civil list £12,000 more than had been asked by their predecessors. The motion of Mr. Harvey, it may be added, was opposed by Lord John Russell, and lost by a considerable majority.

The chancellor of the exchequer, in his financial statement, proposed and carried the reduction of the paper duties (the variety and want of consolidation of which had been much abused); and instead thereof a fixed general duty of 1½d. per lb. was imposed, except upon stained paper, which was entirely set free. A reduction also took place in the duty on pepper and East India sugar, and of stamps on newspapers, the estimated amount of which altogether was £1,021,786. The remarkable feature attending the latter bill was a clause which, on the wish of Mr. O'Connell, was inserted therein, "that the names of all newspaper proprietors should be registered." When the bill went up to the upper house, this provision was the only one that encountered any opposition, and the motion for expunging it was carried in the lords; but the lower house, on its return, and on the motion of the chancellor of the exchequer, without a division laid aside the bill, on the ground that their privileges did not permit them to entertain an amended money bill. On the same day, however, another bill was brought in, in every respect a copy of the former, except that the provision in dispute was omitted; which, on the following day, went through all its stages without any discussion, and immediately passed the lords: and thus, by this act, one barrier to the circulation of knowledge, and a fetter which had long been laid on the free press of England, was removed.

Lord Melbourne in the course of the debate in support of the obnoxious clause, asked "why the night-like mystery in which these publishers were enveloped, and the shade by which those who exercised such power and authority in the country were surrounded, should not be dispelled by their lordships?" adding that any reason to the contrary, through the clause being suffered to remain, was, indeed, difficult to understand.

Events of considerable importance took place in the year 1837. It was on the 20th of June of this year that the king died at Windsor, and her present most gracious Majesty became sovereign of these realms. A very high eulogium was passed by Lord Melbourne on the high worth of the departed monarch, whose reign will be ever memorable for the passing of what was esteemed, at the time, the second charter of England.

Debates of considerable political importance took place on the ministerial plan for the abolition of church-rates, and on the state of the banking system, especially the multiplication of joint-stock banks, arising out of the spirit of speculation carried on in the last year; and such was the singular state of the parliamentary business, that the month of June drew to its close before anything had been done in the ordinary routine of the financial matters of the session. On the 30th of that month, the chancellor of the exchequer presented his financial statement; in which, after naming the ordinary income and expenditure for the current year, he stated that, allowing for the interest of the West India loan, and for the deficiency of former years, the nett surplus would be so small as to afford no means for the reduction of taxation in that session.

In the month of September of this year, an increase was made in the interest on exchequer bills or unfunded debt, of from $1\frac{1}{2}$ d. to 2d. a day; and towards the close of November, it was yet further raised from 2d. to $2\frac{1}{2}$ d. per diem, being about $3\frac{3}{4}$ per cent.; thereby creating a considerable addition to the permanent charge for interest on this portion of the debt to the country; the necessity for which was excused by Mr. Spring Rice on the ground that, as the money market was in a state of the greatest pressure and embarrassment, and both bankers and merchants found it extremely difficult to realize the public securities they held, in order to meet their engagements, it became imperative to support the credit of the country, to prevent the possibility of exchequer bills falling to a discount.

The general election took place in this year, and the new parliament assembled on the 20th of November.

The year 1838 was much occupied by the house in debates upon the state of Canada and Ireland, and on the law of elections, the discussions in which were both angry and bitter; so much so, indeed, as upon one occasion to cause the speaker

to threaten to resign; and, under a decision of the house, Mr. O'Connell was reprimanded by the speaker at its bar. In consequence of the agitation of these important questions, the chancellor of the exchequer (Mr. Spring Rice) did not present his financial statement till the 14th of May. He stated that the past year had been one of unexampled difficulty, and of increased expenditure and diminished receipts, amounting to nearly £1,500,000; the expenditure for 1838-1839 he reckoned at £47,479,000, viz.: interest on the funded debt and exchequer bills, £29,350,000, (including the sum of £396,000, the amount of increase in this item occasioned by the late alteration of interest on exchequer bills); charges on the consolidated fund, £2,400,000; army, £6,800,000; navy, £4,800,000; ordnance, £1,500,000; miscellaneous, £2,550,000; in which latter was included a vote, in the nature of a credit, of £681,000 for Canadian expenses.

The question of the Danish claimants was at this time again brought before parliament, and was opposed by the chancellor of the exchequer, but carried, on a division, against him. These claims, which for many years past had been brought before the notice of the House, were on behalf of a class of persons denominated "the Danish claimants," ultimately paid out of the public purse: a concise history of their origin is given at foot.*

The Whig ministry, which was represented to be much divided in opinion, finding itself, in the early part of the year 1839 with a majority of five only, upon a division on the Jamaica suspension bill, resigned on the 7th of May. Sir Robert Peel was entrusted with the care of forming a government, but failed in his endeavour; and the consequent explanations of

* The particulars of the claims in question are shortly as follows: "After the capital of Denmark had been bombarded by the British expedition in 1807, and its fleet seized and carried away previous to a declaration of war, the Danish government, by way of reprisal, proceeded to confiscate whatever British property was within their reach. The property so seized consisted of three classes; book debts, merchandize on shore, and ships with their cargoes; and the parties who sustained these losses contended they were entitled to indemnification from their own country. The British government, on resuming amicable relations with Denmark, did not choose to prefer any claim against that power on account of the illegal confiscations, and therefore incurred a *prima facie* liability to its own subjects. This was for the first time acknowledged to a limited extent, by Lord Althorp, in 1834;" and, by the above decision of the house, disposed of by payment of the claims.—*Hansard*.

the Duke of Wellington and Lord Melbourne, which took place in the upper house, and by Sir Robert Peel and Lord John Russell in the lower, created an extraordinary sensation throughout the country; the difficulty in the way of Sir Robert forming an administration, being attributed to the non-removal of the ladies of the bed-chamber of her Majesty's household; but upon which point it was agreed by all parties that her Majesty's conduct had been most becoming, constitutional, and above all praise. The effect of these proceedings was, nevertheless, the resumption of office by the former ministry.

It was not until the 5th of July that the chancellor of the exchequer brought forward his budget. The comparison of estimates of income of the last year with the results were favourable, the income having been laid at £47,269,000, and yielding £47,830,000; the excess of receipt being estimated at £560,000. The expenditure, however, had exceeded the estimates, which had been stated at £46,974,000, but proved to be £47,670,000, in consequence, mainly, of the war in Canada.

It was on this occasion that Mr. Spring Rice explained his intentions with regard to that admirable plan which afterwards became law,—the alteration in the rate of postage. The committee appointed to consider it had, it appears, proposed that it should be twopence; but the chancellor of the exchequer, with a sagacity which did him great credit, and which has been since amply justified, proposed a penny rate, "because he was convinced that the latter expedient would involve less loss to the revenue;" he also proposed that general franking should be abolished. The principal opponent of the measure was Mr. Goulburn; but the Duke of Wellington, with that practical foresight and judgment for which he was celebrated, said that although he might have his own misgivings as to its result, yet as it was a measure which would be attended with great convenience to the country, he would give it his support, and recommended the house to do the same: and thus passed into a law of the land at a temporary loss to the revenue, one of the greatest boons to the nation at large which had been granted for many years.

The year 1840 may be considered as remarkable for the animation displayed in financial affairs, and at an early period of the session, the state of the public finances were prominently brought before the house of commons. On the

13th of February Mr. Herries (who had the reputation of being an able financier, and, during his tenure of office, had done much to reduce the debt, by converting permanent debt into terminable annuities on a true financial basis,) moved for a variety of accounts connected with finance, and entered into a lucid statement of the necessity of an alteration in our system of taxation and financial operations, to obviate the serious deficiency in the revenue which had now been for some time apparent.

The chancellor of the exchequer, Mr. Baring, produced his budget on the 15th of May; and after stating the realised amounts of the last year's income and expenditure, which had resulted in a large deficiency, and giving the current year's resources and expenditure, informed the house of the astounding fact of a deficiency of nearly £3,000,000: he did not, however, propose new loans or new taxes, but increased the assessed taxes 10 per cent., the customs and excise (with some special exceptions) 5 per cent., and an additional duty of 4d. per gallon on spirits; he also expressed a hope that by a more strict collection of the assessed taxes he should obtain £150,000, and so within a small sum cover this excess of expenditure over income. The excellent proposition made by Mr. Hume to obviate this increase of assessed taxes by a small scale of taxation on the descent of real property, was lost, and the chancellor of the exchequer's measures carried; and thus terminated the financial measures of this session, with an accumulating deficiency, and a perfect silence as to any reduction of the debt.

The year 1841 may be designated as one of the most unprofitable sessions, as respects practical legislation, to be found in the annals of modern parliaments. The known embarrassed state of the public finances, the obvious necessity of some powerful remedy for these difficulties, the declared intention of raising the supplies by fresh burthens, an intended alteration in the sugar duties, and other measures, excited a very general and powerful sensation among the various interests; and made it clear that these were only temporary expedients, to serve the purpose and stay the fall of a party. Sir Robert Peel's excellent speech on this occasion, foreshadowing his intentions, which afterwards took effect in the complete financial revolution perfected in the succeeding year, concluded with his celebrated sarcasm "I cannot conceive a more lamentable position than that of a chancellor of

the exchequer seated on an empty chest, by the side of bottomless deficiencies, fishing for a budget;" was quickly followed by a majority against ministers, and the dissolution of the parliament was the consequence; the estimates were, nevertheless, voted upon the understanding that the legislature should be assembled at the earliest possible period. The new parliament met on the 19th August, when it was soon found that the elections were unfavourable to Lord Melbourne's ministry; on which the formation of Sir Robert Peel's administration was perfected, and those who had so long sat on the benches of opposition assumed at length the ministerial side.

The house of commons met under the new ministry on the 16th September, when, notwithstanding the anxiety of the country and the arguments with which delay was deprecated, Sir Robert announced the postponement of his financial measures till the next session; he stated, however, that it was absolutely his opinion that the revenue should meet the expenditure, although in what way was a consideration that must be postponed: it was enough for him to state, that it was impossible to proceed in that financial course which had been pursued for several years past. The ordinary arrangements for the public service for the year were therefore effected, which closed with a large deficiency; leaving it to the next session to witness the greatest financial changes which had been experienced for many years past.

The embarrassments in which the finances of the country had been involved; the importance of the measures before parliament; the corn laws; the income-tax; the customs' duties bill, or new tariff; the extent and bearing of each of these, and the vast mass of details to be entered into, render this session of parliament one of the most laborious and memorable which has been hitherto recorded, and present one of the most masterly displays of comprehensive genius on the part of Sir Robert Peel, on whom it had fallen, that ever has been, or probably ever will be, achieved by any statesman.

The position of Sir Robert, with a revenue that had now for several years exhibited an alarming annual deficiency; with the agitation of the corn laws; the popular cry for cheap food; and the depression of all branches of trade, may be said to be one of the most onerous and difficult that minister ever had to encounter. The most perfect silence had been kept as to the intended measures of the cabinet, nor had the slightest outline of the plan been suffered to appear; and it was, therefore, with the utmost eagerness, amounting to

anxiety, that the development of the minister's intentions were expected by the country. But as it would be foreign to this history to enter upon the debates which ensued upon the corn laws, and the modifications proposed by Sir Robert Peel of the sliding scale, or upon the motions and amendments of every kind in the house, which occupied several days, it will be sufficient to add that the measures proposed in relation to these subjects were carried.

On the 11th of March, 1842, Sir Robert Peel entered upon his bold and comprehensive scheme. He took an extended view of our financial history of late years, pointing out the constant deficiency of the revenue as compared with the expenditure, in despite of an increase of duties and population. After stating that the mere temporary expedients which had been resorted to by different chancellors of the exchequer, would not now do, he reviewed the deficiency of the five preceding years, and asked how these shortcomings were to be met?—should we persevere in the system of loans and exchequer bills?—the system, that is, of permanent addition to our debt?—To so miserable a policy, he said, he could not consent; nor to burthen the labouring classes by taxes on articles of consumption and the necessities of life.

After reviewing the poor expedient of putting an additional per centage on taxes already existing, as had been done by his predecessor, and ridiculing the various suggestions of people who were constantly sending him projects for taxes on pianofortes, umbrellas, and other such like articles, accompanied by claims of a very large per centage for their ingenuity, he entered upon his plans for the revision he intended. "He would propose for a period, to be limited, an income-tax of not more than 7d. in the pound, or about 3 per cent., from which he would exempt all incomes under £150; and in which he would include not only landed, but also funded property, whether in the hands of British subjects or foreigners. He estimated the assessable yearly value of the land, at £39,400,000; of houses, £25,000,000; of tithes, shares in railways, mines, and other similar property, at £8,400,000; total, £72,800,000. From this he would deduct one-fourth for the exemption which he proposed to give all incomes under £150, and then the tax would give him thus far £1,600,000. The occupiers of land (assessed at half their rent) would yield £120,000. Next came funded property. The dividend paid thereon in 1841 was £29,400,000, from which he would deduct

£1,000,000 in respect of the savings' banks, but he must add upon bank, foreign, and other stocks, £1,500,000 ; making a total of about £30,000,000, from which he would deduct one-fourth for incomes under £150 a year, and the proceeds of his tax would be £646,000. And, lastly, he arrived at the incomes of trades and professions, a part of the subject which he expressed his conviction was attended with great difficulty ; but which he expected would produce £1,250,000. From the income of public offices he calculated upon £150,000. The total he considered would, under this estimation, be £3,771,000, and the duration he counted upon for its continuance was five years, unless such a revival of commercial prosperity might take place, as should induce parliament to revise the subject in three years.”*

The policy of Sir Robert Peel as to extending the income-tax to property in Ireland, may be gathered from his declaration that, “in case of war, he considered Ireland should bear her proportion of this tax ;” though the equality and justice of this exemption in time of peace, it is difficult to understand upon sound principles of finance. The aggregate amount of the produce of this great (and as it now appears permanent) change from indirect to direct taxation, was estimated, with some other minor taxes then proposed, to produce £4,380,000 ; but the effective produce of the income tax alone it is well known has largely exceeded that sum.

The next great feature of financial progress this session, was the promulgation of the new tariff, which may be fitly called the charter of free-trade principles, (and which, both in its general statement, and in its details, was given in that masterly and lucid style for which Sir Robert Peel was perhaps unequalled ;) he therein stated that it was his intention to work a great and financial change in the mode of raising duties, both in customs and excise ; his object being the removal of prohibitions, and of the duties upon raw materials, which he stated should not in any case exceed 5 per cent. ; and also to diminish the duties upon manufactured articles,—those partially so, to pay at the highest 12 per cent., and those completely so, not to exceed a maximum of 20 per cent. An amended scale of these duties was placed before parliament under 20 heads, wherein it appeared that on about 750 articles, there would be an abatement of duty, while on 450 the duty had been left untouched ; the total diminution of revenue resulting from this change was computed at about £270,000.

* Sir Robert Peel's Speech, in proposing the Income Tax in 1842.

A considerable reduction of the duties on coffee, timber, and wood ; export duties, other customs duties, and on stage coaches, took place also this session, amounting in the aggregate to nearly £1,600,000, thus affording relief to a large class of persons.

To enable so extensive a reduction, and yet to stay the continued deficiency which the revenue had of late years exhibited the impost of the income and property-tax before adverted to was placed on the country, as well as some additional taxes, such as a further duty on spirits in Ireland ; an export duty on coals ; some alteration of the stamp-duties in Ireland ; and part of the plan was that the income derived by regular absentees from Ireland, should be subject to the tax. The mode of collection was generally similar to that contained in Lord Henry Petty's scheme of 1806. The estimated amount of taxes repealed and reduced was £1,596,366, and of those imposed, including the new tax now placed upon property, £5,629,989.

It would be impossible that so great a change should pass without the strongest opposition from the advocates of that great and numerically important party, who had been for years seeking a return to protective duties, and had jealously and systematically opposed the measures of the minister, now the advocate of free-trade principles. From these, since his desertion from their side, (and even from the champions of free-trade, who deemed the bill to go scarcely far enough,) he had to encounter both the bitterness of party-spirit, and the prejudices of the landed interest, as regards the income-tax and the new tariff ; and also the declarations of Lord John Russell, Mr. Charles Wood, and Sir George Grey, that they should oppose the former at every stage. The bills, however,—the former of which in the debate was emphatically described by the late premier as a tax which should be reserved for war *only*,—were ultimately passed both in the lords and commons, and the income-tax took effect from the 5th day of April, 1842.

And thus was the axe for the first time for many years, in the history of our finance, laid to the root of that pernicious system which had so long prevailed, of temporising with the difficulties of the country by raising loans upon every deficiency of income, and thereby adding fresh accumulation to the national debt, ever the permanent and certain source of continued taxation. Thus, too, began an era of direct taxation, which, with the intelligence of our time, must further prevail : the positive property of the country being

thus most rightly regarded by Sir Robert, as the true source from which the larger share of taxation must be obtained; but his scheme was exceptionable, in that it applied to professional and industrial incomes, and to short and terminable annuities, in the same ratio as to real or absolute property, and to that arising from resources unchangeable or undiminishable in their character.

The state of public affairs at the commencement of the year 1843, presented one of great distress to the country, and disquietude to the ministry: a very serious falling off in the revenue, to the extent—on four branches alone—of nearly £1,400,000, having taken place; which was attributed by the opponents of the free-trade measures of the last session, to the new tariff. Considerable agitation prevailed also on the subject of the corn laws; and great activity was evinced by the corn law league, who contended that the existing national distress was in a great measure occasioned by these obnoxious laws which protected this first necessary of life. The ministry of Sir Robert Peel was accused by the opposition of having deranged everything, and settled nothing; in refutation of which, he referred to the practical reforms that had been instituted during the sixteen months of his administration; to his having benefited the whole community, and the humbler classes in particular, by the prohibition on the importation of cattle and meat having been entirely removed; and to his having effected a reduction in the forthcoming estimates of the military, naval, and civil services, to the extent of £850,000; ending his speech with one of those brilliant appeals to the sympathy of the house, to afford him a fair trial of his recent measures, for which he was so pre-eminent.

The sources of revenue remained as before, being derived from customs, excise, stamps, assessed taxes, and post-office; and the only reduction this session being a small remission of duty on timber and wood, and on spirits (Ireland); beyond which no financial measures worthy of special notice took place.

The great financial event of the year 1844, was the reduction of the stock constituting the $3\frac{1}{2}$ per cents., into stock bearing an interest of $3\frac{1}{4}$ per cent. The high state of the funds, the great abundance of capital, and the improving condition of the revenue, beyond what had been anticipated in the past year, presented a favourable opportunity for this reduction, which it was the good fortune of the chancellor of the exchequer, Mr. Goulburn, to carry out; and by which

operation an immediate saving to the country of £625,000 per annum, with an ultimate larger reduction of interest, was effected. In order to carry out this reduction, Mr. Goulburn was obliged to ask from the house no less a sum than £250,000,000, the largest amount by far that any government had ever demanded. His proposition was, that the acceptors of the reduced stock (which included almost all the holders) should be granted that lower rate of interest of $3\frac{1}{4}$ per cent. till October, 1854; after which period it would be reduced to 3 per cent., with a guarantee that for twenty years, from 1854, there should be no further reduction; the immediate saving to the public being (as before mentioned) £625,000 per annum, until October 1854, from and after which date, it would become £1,250,000 per annum. The whole house bore testimony with hearty good-will to the excellence of the time chosen for this plan; and on the 18th of March, the Lords Brougham and Monteagle in the house of lords, "expressed their great satisfaction, and their hope that the opportunity afforded by this saving, would be taken advantage of to abrogate the income-tax *at the period originally announced*, and to revise the existing system of taxation."

On the 29th April, the chancellor of the exchequer made his annual financial statement; he stated that there were indications of improvement in the financial position of the country, in the revival of industry, and increase of revenue; the estimate of the income of last year having been greatly exceeded by the actual receipts; and that the impression which prevailed, that the imposition of the property-tax would have caused a considerable diminution in the produce of other taxes (and especially of the assessed) was groundless, such not being the case; affording a clear and distinct evidence that direct taxation had been advantageous to the community. The articles he proposed for a remission of duties in this year were glass, vinegar, currants, coffee, marine insurances, and wool, amounting to £387,000 a year in the aggregate; and with respect to the sugar duties, he intended to recommend that England should admit, at a differential duty of 10s. per cwt., the sugars of those states which did not cultivate it by slave labour; and thus to open the trade with the extensive countries to the east of the Cape, and effect thereby an extensive supply of this most useful article of consumption without an infraction of principle.

The statistics of these duties, and of the various modifications which they had undergone, were very ably laid down by the

members who joined in this memorable debate. It was stated that when negro emancipation was granted, the probability of the supply being diminished was much considered ; and by the policy then adopted by the legislature, the duties on East and West India sugar were brought to a nearer level ; thereby admitting to our market a larger supply of free-grown sugar from our own dominions in the East. It was also clearly proved that the consumption of this article was enormous ; that the population who were the consumers of it had vastly increased (it was said in the proportion of 14 to 8), yet with a ratio to each person (in 1843) of about 17 lbs. a head ; facts which were adduced by the promoters of this alteration, as cogent and irrefragable arguments for its reduction. The most powerful controversies arose on this subject in the house of commons ; much party spirit was evinced, and some strong opinions expressed in the course of the debate by Lord John Russell, Mr. Labouchere, and others, on the conduct of Sir Robert Peel on this measure ; to which Mr. Gladstone, then a member of Sir Robert Peel's government, retorted with equal force ; but it was not till the 14th of June (the debates on this question having been frequently adjourned) that the crisis took place in the committee on the bill, when the government were defeated on Mr. Peter Miles's motion, by a majority of twenty. The effect of this was the adjournment of the house to the 17th, when Sir Robert Peel, having stated that sugar being the only thing on which there was anything like a monopoly, declared that he should insist on the measure ; and it was therefore, on a revision of the vote recently come to, carried by a majority of twenty-two only in favour of the government, in a house of 488 members ; and thus this important concession to the consumer was effected, and ultimately passed into a law.*

The only other subject worthy of notice financially in the present session, was an endeavour on the part of Colonel Sibthorpe to obtain a remission of the tax upon fire-insurances, which amounted to 200 per cent. on the actual cost of the insurance ; and on which he mentioned that a former chancellor of the exchequer, on its being called a tax against prudence, had said " We have long since taxed all the vices ;

* It is to be borne in mind that, although the laws for repeal or remission of taxes are frequently passed in one session, yet the real remission does not always take place immediately ; as was the case with the sugar duties, which form an article of remission in the table of reduction of the succeeding year.

we have nothing left but to tax the virtues." The proposition for this reduction, notwithstanding the very exceptionable character of the duty, was negatived.

Thus ended a session signalised by useful if not brilliant results, in the addition to the statute-book of several important measures, conceived in that safe and judicious spirit of reform which the circumstances of the nation and the temper of the age demanded, and which greatly contributed to strengthen the confidence of all classes in the statesmen to whom the interests of the country were then confided.

In the year 1845, the great question of the income-tax had again to be considered, and in fact to be determined whether it was to be permanent or not; and at the unusually early period of the 15th of February, Sir Robert Peel brought forward his financial statement. The speech in which that statesman developed his plans was one of his ablest efforts, and fully supported his reputation, being a most masterly explanation of financial policy. It was quite clear, said he, that if the income-tax were not continued, a deficiency of revenue would be discovered; and whether it were more advisable that the tax on income and property should be continued, for the double purpose of providing for the public expenditure, and of enabling parliament to repeal other taxes, was then to be determined. The reduction of the sugar duties he had concluded, and he had, by his tariff of 1842, abolished generally the duty on all exports, with the exception of some few articles; and he now proposed to adopt, as a general rule, the abolition of all export duties, including that on coal. He also proposed that the income-tax should be continued for three years; giving at the time an assurance that he felt sure of *doing without it in three, certainly in five years*; and these measures, being supported by a large majority in the house, were accordingly carried.

When the labour and intense application are considered, which even a revision of these important matters on the part of a prime minister must occasion, and that the tariff, which had presented no less than 813 taxable articles of raw materials, was reduced by these measures of this session to 430, thereby getting rid of a host of troublesome accounts, the mind insensibly reverts to the powerful energies, and the indomitable perseverance and industry, of this great statesman and financier.

Many declarations were at this time made in both houses on the subject of our financial system; and Lord Sandon, in

the house of commons, declared his firm conviction in favour of direct taxation, which he justly argued had, from the enormous increase of property, become, and must be looked forward to as, the true system, rather than an indirect taxation; and Lord Ashburton, in the house of peers, with equal force and justice, declared his conviction also that, sooner or later, parliament must apply itself to the reduction of the debt.

A larger reduction of taxes than had taken place in any of the twenty preceding years was carried out this year by the reduction of the duties on sugar, stated to be £2,309,857; on molasses, £129,183; and on cotton wool, £682,046.

The close of the year 1845, says one of the records of the time, was signalized by most unexpected political events; the Peel ministry was to all appearance most powerful in majorities, when suddenly the strongest government of modern times was dissolved. The news created the most intense surprise, and forcibly brought to mind the insecurity of public combinations. Sir Robert Peel had announced his change of opinion, and his determination no longer to continue or maintain the corn laws; and the retirement of the Conservatives was the consequence. The motives which influenced Sir Robert in this sudden change,—remembering the many years he had upheld them, the alienation of friends, and the abdication of such a position, which were the necessary results,—have never been thoroughly or satisfactorily explained; but it is only just to the memory of so great a mind, involving as it did the sacrifice of every object and every feeling dear to a political leader, that it must have been from a sincere and honest conviction of their impolicy and of the impossibility of their continuance. Lord John Russell having failed in forming a ministry, Sir Robert Peel's cabinet were reinstated, who, with a single exception (Lord Stanley;—Mr. Gladstone having become secretary in his place), concurred with him in the intended measures.

On the 27th of January, Sir Robert Peel explained his great scheme, connected with the corn laws and the principles of free-trade, stating his intention as regards the former, not to be to repeal them at once, but that after a certain time corn should come in free. The great point on which he rested as the foundation for the change was, that “the repeal of prohibitory and the relaxation of protective duties was in itself a wise policy.” The debate on the question occasioned the most intense interest, and occupied twelve

nights; 48 members having spoken in favour of free-trade, and 55 in favour of protection; and ended at last by the rejection of Mr. Peter Miles's amendment, and a majority in favour of ministers of 137, in a house of 617 members.

Considerable discussion also took place on the customs bill, upon various articles of the new tariff; and many amendments in respect of particular duties on hops, silk, foreign spirits, and timber, were made, but negatived, and the bills as introduced by the government in all their essential points were passed.

On the 29th of May the chancellor of the exchequer made his financial statement, mentioning that the reductions intended to take place in the differential customs duties, had been embodied in the new tariff which had passed the houses; and that nothing remained for him to do other than to offer the ordinary financial statements of revenue and expenditure, which showed a result of a surplus income of £760,000.

The estimated loss to the revenue this year on duties repealed—viz., on oxen and bullocks, £10,231; woollen manufactures, £27,970; other articles, £23,311;—and on duties reduced,—viz., butter, £129,183; cheese, £76,254; seed clover, £36,077; silk manufactures, £162,985; spirits, foreign, £420,527; spirits of British possessions, £61,759; tallow, £101,966; other articles, £101,527;—amounted in the aggregate to £1,151,790. This was not, however, in fact, the real loss to the revenue, the admission of foreign sugar by the act of 1846 having brought an increase to the amount of £416,562; which, with a small tax imposed upon meal and flour, of £2,000 (utterly unworthy, considering the cost of collection, and the smallness of its return), reduced the positive loss to £733,228 only.

Scarcely had these measures been perfected, when the defeat of the Peel ministry on the protection for life (Ireland) bill, and their consequent resignation, brought the new ministry into power on the 6th of July. The remainder of the session was consumed on the affairs of Ireland, and the sugar duties temporary bills, for the continuance of which latter, after much hostility, ministers obtained a majority on a division, subjecting all foreign Muscovado sugars, instead of paying 63s. per cwt., to have a protecting graduated scale of duty commencing at 21s. per cwt., from July, 1847, and terminating at 15s. 6d., on the 5th July, 1851; from which latter date the smaller duty of 14s. should apply to all Muscovado sugars.

On the 28th of August the parliament was prorogued, and thus ended one of the most memorable sessions, both politically and financially, which this country had witnessed for many years. In it a minister who had held office for the last five years, and was deservedly popular both with the crown and people, had been hurled from power; a party of the very strongest character broken and dispersed, never more to reunite; and a course of finance promulgated and begun, which will probably end sooner or later in a total abrogation of all protective duties.

At the meeting of parliament under Lord John Russell's ministry, on the 19th of January, 1847, the first consideration which called for the attention of the legislature, was the awful condition of Ireland, and the starvation, disease, and distress, which had fallen on that unhappy land.

On the 21st of January, Lord John Russell moved the suspension of the corn and navigation laws, for the purpose of alleviating the existing scarcity, by giving the utmost facility to the importation of food from abroad. This proposal met with no opposition, except from Lord George Bentinck, who said that he had no objection to the suspension of the navigation laws, if it were only intended to bring in corn; but that if the motion were intended to insert the sharp end of the wedge, in order to destroy them altogether, he would certainly oppose it. The duties on corn were, however, under this motion, suspended.

The chancellor of the exchequer, Sir Charles Wood, on the same evening, brought forward in committee the new government proposition for the modification of the sugar and rum duties; and after stating that the customs and excise duties had increased in every branch, and that sugar could already be used in distilleries (an evidence of the success of the principles of abrogating protective duties), he proposed that the differential duty on rum should be reduced from 1s. to 6d. per gallon. The bills for effecting these changes passed the commons, but met with considerable opposition in the lords, from Lord Stanley, Lord Ashburton, the Duke of Richmond, and others, on protectionist principles: the opponents were, however, defeated on a division, and the bills accordingly passed.

Sir Charles Wood, on the 22nd of February, made his financial statement for the year, which he prefaced by stating that "it was many years since any individual holding his

office had to make so heavy a demand on the treasury, as it would be his duty to make for the service of the year; and he hoped that many more years would elapse before a similar necessity for making it would occur." He stated also that there never was a time when the finances of the country could better bear it; the balances in the exchequer were £9,000,000, and during the last quarter, not one deficiency bill had been issued; an event which he believed was without parallel since the conclusion of the last war. He then proceeded to state the probable income and expenditure for the year, 5th April, 1847, to 5th April, 1848.

The total ordinary revenue derivable from customs, excise, stamps, land and assessed taxes, property tax, post-office revenue, crown lands, and miscellaneous, he esti- mated at	} £52,065,000
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THE EXPENDITURE, viz:—

Interest on the debt funded and unfunded	£28,045,000	} £51,576,000
The charges on the consolidated fund, omitting any charge on account of Irish distress	2,522,420	
For the Irish constabulary	175,000	
For the army, (£6,275,074), in- cluding the charges for the militia and commissariat	6,840,074	
For the navy	7,561,876	
For the ordnance	2,679,127	
For miscellaneous estimates	3,750,000	

It therefore appears from these clear and specific statements of Sir Charles, wherein the precise sources of revenue consisted, and their estimated amounts and applications; while it cannot but be noticed with feelings of regret, that both in this and the preceding financial statements, in no instance is the diminution of the debt, the interest of which forms so large an amount of the annual expenditure, ever even alluded to. The chancellor of the exchequer then spoke in a feeling and creditable manner of the distresses of Ireland, and of the timely advances bestowed on the sister

kingdom in her hour of need, by the labour act ; and claimed at the hands of the house, the power to raise a loan of £8,000,000,—a proposal which met with the ready sympathy and approbation of the legislature : and if ever there could be a real cause for an addition to the national debt in time of peace, it was upon that occasion.

The remaining financial act of the session was the raising the interest upon exchequer bills from $1\frac{1}{2}$ d. to 2d. per diem, which occasioned much animadversion, and elicited from Mr. Ewart the observation “ that he thought the time was come for a courageous revision of our whole financial system.” The reduction on taxes in the present year was, on woods from foreign countries, £243,085 ; on sugar and molasses, £53,152 ; and on rum, £46,974 ; and the additional charge for interest on the funded debt, occasioned by the loan of £8,000,000 for the service of Ireland, was £268,156.

The parliament was dissolved on the 23rd of July, 1847, and their successors met on the 18th of November, for the purpose of considering the commercial distress of the country ; but the real business of the session did not commence till they re-assembled on the 3rd of February, 1848. This year may be considered as remarkable in the annals of our modern finance, as in it we find propositions for increasing the direct taxation of the nation, which were considered perfectly startling in the thirty-third year of peace, and which was further increased by a positive addition to the debt that afforded cause for the highest animadversion.

On the 18th of February, Lord John Russell laid before the house his financial account of the probable income and expenditure ; and, in anticipation of a deficiency, proposed the further continuation of the income-tax for three years, increasing the rate, however, to 5 per cent. The ministerial statement met, as might have been expected, with the most unfavourable reception ; and notwithstanding an attempt at propitiation by the chancellor of the exchequer, who offered a committee on the army and navy estimates, it was deemed necessary by the government to announce on the 28th a recantation, and that they did not intend to press the proposition for increasing the income-tax.

The budget, which had been promised at an early period of the session, remained unsettled, in consequence of the embarrassed position of the financial plans of the government, till a late period of the year ; and it was not till the 25th of August, that the chancellor of the exchequer entered fully

upon the condition of the revenue, when his statements disclosed the startling deficiency of £2,141,209; occasioned, indeed, partly by the heavy expenses incurred in carrying on the Caffre war. It was to meet this excess of expenditure, and also because of the position of the finances generally, that he had proposed that increase of the income-tax, upon which (as has been seen) the government were nevertheless obliged to give way; and instead of which he now announced his intention of raising a loan of £2,031,226. The income-tax was, therefore, continued upon its former basis, after many attempts at alteration in respect of a graduation in favour of trades and professions; and the surplus amount required became a permanent addition to the debt, by the creation of consolidated annuities to the amount of £2,288,434 18s., at an annual charge of interest, including costs of management, of £69,339 11s. 6d. The remission on taxes which took effect in this year were, on copper ore, £35,745; on rum, British possessions, £69,353; sugar and molasses, £258,854; and foreign woods, £215,028.

The dismay and disappointment of certain members on this extraordinary position of affairs is represented in the records of the time as complete; and Mr. Hume most courteously inquired of the ministry, "if they were all mad!" Mr. Osborne adding, that Sir Robert Peel was now avenged for Lord John Russell's speeches *against* the income-tax, which had been opposed in 1842 by more than one member of the present cabinet. It may be added, in closing the remarks upon the financial operations of this session, that scarcely any part of the ministerial policy occasioned so much dissatisfaction, as that connected with the public finances; and the vacillation in, and retraction of, the schemes proposed by government, are represented by the records of all parties of the period to have been most unsatisfactory.

The session of 1849 was much occupied by the legislature in discussion of the navigation laws, which had been referred to in the queen's speech, and for the repeal of which a bill had been brought in by Mr. Labouchere, that, after much debate, was carried by only a slender majority in the commons, and had very nearly been lost in the lords. It received strenuous opposition from Mr. D'Israeli, who, since the death of Lord George Bentinck, had become the leader of the Protectionist party in the house, and who perceived that, by the abolition of these laws, the principles of free-trade would be immensely advanced.

The next important motion of the session was that of Mr. D'Israeli on the subject of *local* taxation; in which he attempted to show, in a speech of great force and brilliancy, that an unfair amount of taxation was levied on *real* property, and that not only one-third of the excise, but also the larger portion of the local taxation of the country, fell exclusively on the land: a proposition unmaintainable by the proved statistics on this subject.

On the 29th of June, the chancellor of the exchequer produced his budget, which again presented a deficiency in the results of the past year of £269,378; and after giving the usual estimates of income and expenditure for the current year, a surplus of £94,307 only was found available, which he expressed his intention of retaining as a nucleus for future purposes; the reduction of taxation with so insignificant a sum being impossible.

With these repeated statements, there is but little cause for wonder that, by the close of this session, owing to the evident imperfectability of the system, and the uncertainty of any surplus revenue under it, a great and powerful desire for financial reform began to manifest itself; the constant deficiencies, the continuation of the income-tax in time of peace, the undiminished state of the national debt (in fact, its increase in the present year), and the large expenditure for our armaments, had convinced the minds of all practical men of the absolute necessity of some radical change of our financial system, and caused societies to spring up with the avowed intention of agitation to that end, and for that object; in which the trading communities of Manchester and other great towns took a prominent part.

The prospects of the nation presented a more hopeful appearance at the opening of the year 1850; the revenue had increased, notwithstanding the reductions and the alterations occasioned by Sir Robert Peel's measures, and the commerce of the country had largely improved,—affording a convincing testimony that the recent commercial changes had not disappointed the expectations of its framers.* The distressed

* On the 1st of July, 1850, that great statesman, Sir Robert Peel, who had so long wielded the destinies of this country, died in consequence of a fall from his horse in Hyde Park; and as a testimony of his worth and the sympathy of his country, the house of commons, then sitting, immediately adjourned; and the French assembly expressed their sympathetic regret, in the minutes of their journals, on receipt of the intelligence of the melancholy event.

condition of the agricultural interest alone furnished an exception to the general well-being ; and amendments having reference to this point were moved on the address both in lords and commons, which were, however, negatived ; as was also a motion of Mr. D'Israeli's for a committee of the whole house to revise the local burdens on lands, the effect of which motion, nevertheless, would have been, if carried, to transfer £2,000,000 from this head to the consolidated fund. The financial statement of the chancellor of the exchequer was made on the 15th of March, and was of a most cheering character. The revenue of the past year had greatly exceeded his expectations, being calculated to yield a surplus of upwards of £2,000,000 ; and, after stating the estimated income and expenditure of the current year, he anticipated a surplus (in addition to a vote for the large sum for the new houses of parliament) of about £1,500,000. Regarding this surplus, Sir Charles Wood facetiously observed that an obliging anxiety had been evinced on the part of many as to its disposal ; such as in the reduction of the tea-duties, amounting to £5,000,000, or in those on windows, soap, and bricks, which produced another £3,000,000 ; another party proposed the abolition of the malt-duty, amounting to upwards of £5,000,000 ; whilst Mr. D'Israeli had put in a claim for £2,500,000, under the motion before adverted to. All these propositions were, however, disregarded by the right hon. baronet, who, with a right judgment, turned to that weighty incubus on the country which had been so utterly neglected both during his own tenure of office, and by so many of his predecessors in succession,—the public debt,—to which object he declared his intention of applying one-half of the surplus. The words in which he showed the necessity of so doing are instructive and worthy of repetition on this momentous subject. “The first object,” said he, “should be to reduce our debt !” “During the last twenty years we had borrowed no less than 35 millions of pounds ; whereas, the surplus income applied to the reduction of the debt had been only £8,000,000 ; and that in fact, we had increased the principal of the debt to £27,000,000.” It is perfectly inconceivable, were the fact not patent, that such financial policy should be permitted by the legislature in time of profound peace.

The relief proposed to be given in taxation in this session was a considerable reduction of stamp-duties on the transfer of landed property, and upon mortgages under £1,000, and

the stamp duties on leases within the same amount to be uniformly made one-half per cent., which reductions were estimated to amount to about £520,000 ; also a reduction on bricks, amounting to £456,000 ; and the remission on sugar and molasses, £331,073 ;—all of which were considered by the people as useful and proper alterations. The change in the stamp-duties, however, as first proposed, was much opposed by various members in the detail and ultimately withdrawn, and a new classification substituted, at a later period of the session, which eventually passed into a law ; and it may be added that the loss through these prudent and well-chosen reductions has not resulted in so great a loss to the revenue as was anticipated by the chancellor of the exchequer himself, thus affording another proof that a wise and discriminating diminution of duties leads to an increased use and consumption of the article on which the impost is reduced or withdrawn.

With the thus carrying over the moiety of the surplus to the relief of the public debt, and the judicious remission of the foregoing taxes, the financial session of the year 1850 (which was deemed by the public most satisfactory) terminated, leaving on record a popular and public admission of the propriety and necessity of a fixed dotation to be applied to the reduction of the national debt.

The eventful measures which occurred in the years 1851 and 1852 are of so recent a date, and will be so much in the recollection of us all, that a short notice of the financial arrangements of these sessions will suffice. The state and collision of parties on subjects of high importance in the early part of 1851 ; the debates in both houses on the ecclesiastical titles bill ; the supposed disunion of the cabinet themselves on the latter question ; the condemnation with which their financial policy was visited by many ; and the final defeat of the ministry on Mr. Locke King's motion upon the franchise, (which caused the resignation and reconstruction of Lord John Russell's ministry,) are events too well known to need other than a passing recognition.

The chancellor of the exchequer, on introducing the budget for the current year, began with an exordium on the impolicy of productive duties, and stated his belief that of all the imposts on the statute-book, they were undoubtedly the worst ; of which he instanced, by way of illustration, that on coffee, which was 50 per cent., and that on timber, 900 per cent. ; to which he might with truth have added the inordinate

and excessive duty on that article of such great consumption by the humbler classes—tea, of 240 per cent.; and many others affecting the necessaries of life, which had too long remained at this high scale of duties, and ought justly to be subject of revision. He also stated as an axiom which is now universally admitted, that a reduction of protective duties is most beneficial to the consumer and the revenue.

His great feature of alteration financially in the present session was, however, the proposition to relinquish the window duty, and in its place to create a house-tax of uniform rate, which, although not a tax that has been generally esteemed one of strict equality, has ever been considered upon the best authorities both of the past and present time as a duty, if justly proportioned, of the fairest and most unobjectionable character; it nevertheless met with severe criticism in its progress. The proposal was to levy an uniform rate of 9d. in the pound on the rent of dwelling-houses, and 6d. in the pound on any house a part of which was a shop, or which was occupied by a licensed victualler, or inhabited by a tenant and solely used for the occupation of land. All houses not exceeding £20 per annum in value, were to be wholly exempt from its operations; and the computation was that there were 3,500,000 houses in the kingdom; of which number 3,100,000 would thus become totally exempt, and the tax be consequently paid by the 400,000 most valuable houses in the country. The relief afforded hereby to the tax-payers on the assessment to the window-duty, was estimated at £1,136,000; while the tax retained in its stead by the new charge on houses, was expected to realize £720,000.

The chancellor of the exchequer likewise proposed to remove the protective duty on foreign coffee, and on colonial one fourth, making both kinds pay the same amount of 3d. in the pound; also to reduce that on foreign timber one half, it being previously on sawn timber, 20s.; and upon hewn, 15s. These measures, together with the ordinary statements of income and expenditure for the year, which resulted in a surplus of only £356,000, and the continuation of the property tax, formed the principal financial measures of the session.

It would be almost superfluous to add, seeing that each year's expenditure had been scarcely met by its revenue, that no diminution of the public debt was effected; and it is curious, as illustrative of the sum thought desirable to devote to this great object, that Sir Charles Wood, in his answer to a question put to him, wherein he reproached Mr. Hume for

his want of knowledge of the facts on this subject, stated that under the acts of parliament connected with the national debt, *one-fourth of the surplus* was the only part thereof annually applied to the paying it off; a sum so utterly uncertain and disproportionate for making any real impression upon it, as to leave a doubt on the mind if any practical reduction were intended.

The narrow majorities which had been conceded to the ministry in the preceding session, and the collision of parties on the subject of free-trade and protecting duties, which had been a constant source of discord and bitterness at the commencement of the year 1852, had foreshadowed that the time was fast approaching when those principles were to be tested and finally disposed of, and set at rest for ever, by the decision of parliament. The month of March in this year, therefore, found the Derby administration at the head of affairs, with the fair and hopeful chance afforded of an appeal to the country in favour of the measures they had so long and ardently advocated. The result of that appeal is too recent and well known to need comment in this place; and the object of this remaining portion of our work will be, to show those financial arrangements of the minister, which were the proximate cause of the overthrow of the Derby administration.

The ordinary supplies had been voted for the service of the country; and on the 1st of July, the parliament was dissolved, with the full intention of recommending to her Majesty, that the meeting of the new parliament should take place in the course of the then year, under circumstances which would afford a complete opportunity of deciding on the character and policy of the existing government. The new parliament accordingly assembled in November, and great was the expectation of the forthcoming event. The preliminaries of the session were opened by Mr. Villiers's motion, which was in effect that free-trade principles should henceforth be the governing principles of this country, in contrary distinction to protective duties, but upon the form of which motion much discussion arose, the ultimate adjustment of which was, under a modification of Lord Palmerston's that will be fresh in the memory of all, arranged so as to meet the views of the contending parties. The expectation of the country was at its height, it being imagined that great and important changes in our financial system would be effected; and it was therefore with correspondent disappointment that the statement of the chancellor of the

exchequer, Mr. D'Israeli, which was promulgated on the 3rd of December, was received by the public. He began by stating that the financial exposé he was about to make was offered by him under very peculiar circumstances,—“whether it were possible to make such changes in the mode of levying our revenue, as might contribute more to the welfare of the community; and whether such alterations could be effected in our method of taxation, as might remove from various classes a not ill-founded sense of injury and injustice, occasioned by the principle of unrestricted competition now adopted by our commercial code.” The honourable gentleman then addressed himself to the house, in a speech of great brilliancy and eloquence, and examined the claims urged respectively by those great interests, “the shipping,” “the sugar-producing,” and “the agricultural.” Respecting the first of these, he complained of the restrictions upon the merchant marine in manning their vessels, of the stamp-duties levied on marine insurances, bills of lading, and charter-parties, of the heavy passing tolls paid by ships, and of their position in foreign ports. Of the sugar-producing interest, he contended that the colonial policy of past administrations towards the colonies concerned therein, had been inconsistent and incoherent, that their sufferings had been great, and that they had been unjustly and unwisely treated. Regarding the agricultural interest, he complained of the oppressive character of the malt-duty, and of local taxation; and after some logical reasoning that the consuming power of a people did not depend on their numbers, *but their condition*, and that the principles of direct taxation should be as general as that which is indirect, he proceeded to lay before the house the financial operations and changes which he intended. He proposed to relieve the shipping interest of the stamp-duties on marine insurance and passing tolls; and to allow the colonists to refine their sugar in bond for home consumption. Of the greater and more important subjects of reduction, he proposed to diminish the malt-duty by one-half,—it being at this time 2s. 7½d. per bushel, and an additional 5 per cent.; and a remission of the duty on tea, by a graduated scale to 1s. per lb.,—it being at this time, 2s. 2¼d. per lb., with an additional 5 per cent.; the reduction to take place after the example of the sugar duties, gradually, at the rate of 4¼d. per lb. the first year, and 2d. per lb. in each subsequent year, till it came to 1s. These remissions were estimated to be, on malt, £2,500,000; on tea, £900,000; and the hop-duty

(which was to be also remitted,) £300,000 ; amounting in the aggregate to nearly £4,000,000.

On the subject of the income-tax an important change was to take place, by extending its operation to Ireland, so far as regards funded property and salaries. The amount of income also, at which the tax should begin to be payable, was to be altered ; for that arising from any industrial source, it was to be fixed at £100 ; and for that arising from property, at £50 per annum. The tax in other respects—with the exception that profits were to be estimated at one-third instead of one-half, and an exemption to the clergy of incomes under £100, —was to remain at 7d. in the pound.

The last great alteration proposed to be effected was in the existing house duty, by extending the assessment to houses of £10 value in rent, and by an increase in the rate of private houses (rated in the whole at £15,824,126 per annum) to 1s. 6d., instead of the existing duty of 9d., and of shops (rated in the whole at £10,698,452) to 1s., instead of the existing duty of 6d. The aggregate of this increase was supposed to represent £1,723,000, being one million more than the present produce of the house-tax. To these great changes was added the declaration that it was the intention of the government to recommend that the whole of the revenue of the country should be brought under the control of parliament ; and that the ministry had carefully examined the question of the stamp and probate-duties, and thought it not impossible that they would, on the right occasion, bring forward a duty on successions which would reconcile contending interests, and terminate the system so much complained of ; and thus this famous financial statement, on which so much expectation in the country had been raised, and the fortunes of the cabinet were embarked, was submitted to the legislature.

The debates which followed, and which were perhaps the longest on the subject of finance that were ever heard within the walls of the senate, occasioning adjournments for several nights, resulted on the 16th of December, 1852, in the defeat of the Derby ministry, and the final annihilation of protection, by a majority of nineteen in a house of 591 members ; thereby leaving the task of carrying out those great financial reforms so much needed, as well as all the nation's hopes for that complete and equitable revision and adjustment of our taxation, so essential to the welfare of these kingdoms, to another cabinet.

The history of the world is a long and tedious story, but it is one that is full of interest and variety. It is a story that has been told in many different ways, and it is one that is always changing. The history of the world is a story that is full of many different people, places, and events. It is a story that is full of many different cultures, languages, and religions. It is a story that is full of many different experiences and adventures. The history of the world is a story that is full of many different things, and it is one that is always changing. The history of the world is a story that is full of many different people, places, and events. It is a story that is full of many different cultures, languages, and religions. It is a story that is full of many different experiences and adventures. The history of the world is a story that is full of many different things, and it is one that is always changing.

RESUMÉ

Of the foregoing History of Taxation; with practical suggestions for the revision of our present system of Finance, and the gradual reduction of the National Debt.

IN tracing the origin and progress of taxation in England, as detailed in the pages of this history, the mind is forcibly struck with the observation from what small and simple beginnings the great resources of a mighty nation have been developed.

In the early periods of our history, the resources of our kings were almost exclusively confined to the hereditary revenues of the crown, aided by occasional voluntary contributions or assessments by the nobles, and benevolences from the clergy; the latter of whom even in those early times held considerable possessions, with which they had been endowed by the piety and superstition of our ancestors. With these limited means did the early Norman kings and their successors, long after the Conquest, bear the expenses of the state, and engage in wars; their armies, however, being principally composed of their own immediate dependants and mercenaries, or of the vassals of the great lords and barons of the land, who, holding by feudal and military tenures, were bound to aid by service when called upon by their liege lord the king.

As time, however, passed on, and the population of the kingdom, which was then very scanty, increased, the civilization of the country advanced, and a gradual alteration of affairs presents itself. We then, for the first time, perceive taxes, or a species of tax, being raised for the commutation of military service; next, under arbitrary kings, as John, taxes or tallages levied at pleasure; and in the subsequent reigns, taxes being levied on moveables, on land, and upon the principal staple of export then known—wool; but the poverty of the exchequer must have frequently been extreme, to judge from the recorded facts and the arbitrary acts committed in those times.

This, the infancy of finance, was succeeded by a time when the resources of the country became more tangible and ap-

parent, under the Tudor dynasty; and we find that very considerable sums for that age were raised by Henry VIII. and Elizabeth (mostly by subsidies on goods, benevolences, a poll-tax, and a tax on land), the latter of whom, especially, in upholding the power and liberties of the nation in her person, met with a cheerful and ready acquiescence and support from her subjects.

The unconstitutional proceedings of the immediate successors of Elizabeth, the unworthy means resorted to by James I., in raising money by the sale of honours, and the attempts of his son, Charles I., to raise taxes without the consent of parliament, caused the sad contest which ended in depriving that unfortunate monarch at once of his kingdom and his life; but these events also had the effect of firmly fixing the right of granting taxes, which had at this time assumed a systematic form, in the only legitimate source, the house of commons, with whom it has ever since remained.

The Protectorate of Cromwell afforded a further progression towards modern taxation, when, from the expensive wars engaged in by him, and which in his time shed lustre on the English arms, and had the effect of opening the commerce of the world to this country, we find the first regular and systematic imposition of taxes on exciseable articles, and which were then made by monthly assessments under commissioners appointed for the purpose.

The reign of the Restoration, with the habits of extravagance and luxury adopted by the king and his court, required a greater supply, yet the records of the time (so forcibly given by Hume, and in the diary of the amusing Pepys,) show the difficulty—notwithstanding the then easy compliance of the parliament—with which the expenses of the nation were met, and the smallness of the revenue then obtained from customs, excise, the crown lands, hearth money, &c., amounting, in fact, to little more than a million in all.

In the reign of William III., practically began that great system of creating a permanent national debt, which in after times has been productive of such extraordinary consequences to this country, and has resulted in a load of taxation unexampled in the history of nations: and it is an undoubted fact that, with the exception of a trifling sum, almost the whole of the national debt of Great Britain has been contracted since the revolution of 1688; and some Jacobite writers have even gone so far as to insinuate that William purposely involved us in debt and difficulties, “that the

Hollanders might have a better chance of surpassing us in manufactures and commerce.”

In the subsequent reigns of Anne and the first two Georges, the revenue was principally raised by indirect exciseable taxation upon malt, beer, ale, wines, and many articles of consumption, more particularly detailed in the foregoing history.

At the accession of George II., in 1727, the principal of the public debt amounted to £52,000,000 only, and the interest to £2,217,000. Between that time and the peace of Paris in 1763, three years after the accession of George III., the principal of the debt had risen to £140,000,000, and the interest to £4,852,000. Since then the debt has increased with a rapidity unknown in any other country, amounting, at the termination of the war in 1815, to upwards of £800,000,000 :—the American war, and the late war with France, having occasioned an expenditure of blood and treasure without parallel in the history of the world. The facilities with which loans were raised by Mr. Pitt ; the error in continuing the system of loans at periods when the country could have borne a sufficient increase of taxation to have created with each loan a specific redemption fund, that would by its own operation have redeemed itself in a certain number of years ; the total neglect of the legislature, after the virtual annihilation of the sinking fund, and in the absence of such redemption fund for each loan, to devote a special sum annually in time of peace as would, if steadily adhered to, considerably, though gradually, reduce and make a practical impression on the debt :—the fact also of the state, under the contracts for these loans, being under the obligation of redeeming the larger portion of the debt so contracted, by payment of £100 sterling, where, for the greater part, only £50 or £60 had been received, have altogether left us with a great permanent burden, that is and will continue to be severely felt, and will, unless gradually and effectively diminished, unquestionably be detrimental to the power of raising large resources in the event of any future wars.

In reviewing the elements of finance, and the sources from which the taxation of the country have been derived, from the time of Walpole to the present day, it is remarkable to find the entire want of system and the practical unacquaintance with the true principles of finance which have prevailed under several of the administrations since the time of Pitt, and which is forcibly illustrated by the continued alterations in duties that have taken place ; a principle expensive, unsafe, and objectionable in every respect : hence we find that between

the years 1797 and 1825, the tax upon tobacco, one of the most important articles of revenue, had been changed no less than eight times ; it was once 350 per cent.; it was let down to 200 per cent. ; again raised to 1200 per cent. ; and again let down to 800 per cent. The duty on wine during the same period, was altered ten different times in England, and eleven in Ireland ; on foreign spirits it was altered in twenty years eleven times ; on sugar, in thirty-seven years, seventeen times ; on tea, seven times ; and on glass, five times ; which inconsistencies occasioned an honourable member of the legislature to say with great truth “ that the manner in which in those days taxation was treated was truly ludicrous ; and that the house seemed to treat taxes as an amusing game.”*

The anomalies of finance which have been stated, both as regards the funding system and the mode of raising taxes, as also their unequal pressure, have therefore of late engaged the attention of many intelligent statesmen and others acquainted with this important subject ; and it must be admitted that a great practical revision of the whole system is loudly called for. Nor can it be denied that a great and growing popular feeling, occasioned by the immense realized wealth of the country, has induced and now leads towards a more direct system of taxation, and for a relaxation of those imposts which more immediately affect the necessities of life, the physical, moral, and sanatory condition of the people, or the channels of productive industry, and for assessing in lieu thereof those real sources of legitimate taxation, the wealth and property of the nation.

That the governments of the day in which we live have been remiss in availing themselves of many admirable and legitimate sources of taxation, is certain and must be admitted, as nothing could have been more easy in the origin of railroads than to have granted concessions for a limited number of years, (as for instance 60 or 90,) instead of in permanence to these monopolies, in the same way as has been done in France, which would have been an ultimate fund for the relief of the nation, as well as ensuring, hereafter, cheap locomotion to the public. It would also be difficult to understand why the auriferous fields of the public lands in our† Australian

* Mr. Poulett Thomson, afterwards Lord Sydenham.

† This more particularly applies to Western Australia, where it is known that valuable mines of lead and other ore exist ; and where, there is every reason to believe, the precious metal exists. The wheat, also, which has been produced there is found to be of the finest quality, and the kind of labour above-mentioned might be advantageously employed in agriculture for public purposes.

colonies, and the mines, the collieries, and the forests belonging to the public, have not or should not be made sources of production and of revenue to the nation through the medium of convict labour.

Such are the great defects and anomalies of our present system of taxation ; the baneful result of which has been to fetter this country with a large and comparatively undiminished debt, and an amount of annual interest thereon, greater in itself than the revenue of many states and kingdoms. It is, therefore, with the especial view of showing to the public how false and extravagant is the whole system of loans, and how urgent is the necessity for a complete revision of our taxation, that the preceding history has been written ; and the suggestions which follow are made in the conviction, that a judicious redistribution thereof will, above all things, tend to promote the happiness, comfort, and permanent prosperity of England.

The great principles, then, upon which this change should be guided, it is submitted should be to the following effect:— That the positive realized wealth and property of the country should be considered the primary source of revenue, which should be gradually enlarged from its present area, so as to diminish the indirect taxation upon all the necessities of life, and things which in any way tend to improve either the moral, physical, or sanatory condition of the people :—

That present and immediate attention should be given by the legislature to a gradual yet permanent reduction of the national debt, either by a special tax to be known as the “national debt redemption fund ;” or by a small per-centage on the aggregate revenue of the country to be applied to such purpose :—

That the reduction of interest consequent upon the conversion of the $3\frac{1}{4}$ per cent. annuities into 3 per cent. consolidated annuities, which will take place in 1854, effecting a saving to the country of £650,000 per annum, be made a permanent annual fund and nucleus of the national debt redemption fund :—

That the forests and public domains which have been hitherto so unproductive under the management of the commissioners of the woods and forests, although so costly in their expenses, be sold, and the proceeds applied to the like fund, for redemption of the debt ; and that all mines, minerals, and collieries, either in England or its dependencies, or in any auriferous fields which may be discovered in the yet available or uncolonized parts of Australia, be developed for the public

advantage; and, in so far as the same may be practicable, that convict labour be employed for such purposes:—

That the large expenditure for the public service be gradually diminished, as far as may be consistent with our security; which operation would be materially advanced as respects the large expense incurred for the army, by perfecting to the greatest possible extent and efficiency our militia forces, and by requiring that our colonial possessions themselves should defray the cost of such troops as they may think necessary for their defence in time of peace:—

That a just and equitable tax be at once assessed on all landed estates bequeathed by will, or derivable under settlements or by succession; and that a similar tax be placed on property taken under probate of wills of real estate, to that which has long been paid on personal estate:—

That the present system of management of crown lands, and the rents derivable from houses, estates, and revenues belonging to the nation, be investigated, with a view to their yielding the greatest possible amount, at the least cost, for the public advantage; and that the collection of the revenue, which, in times past, has been attended with the most extravagant expenditure, and, by the public returns, is now effected at a cost of near £4,500,000* annually, be completely revised and reduced: the gain to the country under these heads it has been fairly estimated, on competent authority,† would amount to £1,000,000 sterling per annum; to effect which even alone, it might be desirable to have a minister of finance appointed, whose special duty and office it should be to regulate and conduct such important objects for the public good:—

That all future loans, should any be required in consequence of war, be borrowed either upon the principle of terminable annuities, or upon the still surer principle (so often adverted to in the preceding work,) of creating with each loan a redemption fund which shall, by

* The average cost of collecting the revenue was, in the year 1852, £6 17s. 2d. per cent.; on the crown lands, it was £13 19s. 11d. per cent.; on the post office, £52 8s. 2½d. per cent. *Vide* Public Expenditure, p. 14, Appendix, and Derivative Account, No. 8, p. 28, Appendix.

† It was stated by Mr. Ricardo in parliament, in a speech on the subject of finance, in the year 1820, that the cost of collecting the revenue was extravagantly expensive, being in England 7 or 8 per cent., and in Ireland 22 per cent., on the gross amount contributed. And Mr. John Smith, on the same occasion, said that the collection could be farmed at one-fifth of the then cost to the nation.

its own accumulating power, operate to its extinguishment in a certain number of years; and that in no instance it be permitted by the legislature that any deficiency arising from the annual income or revenue not meeting the annual expenditure, be made a cause of addition to the public debt; but that it shall be considered an unalterable principle of justice, that such deficiency be always regarded as a part of the next year's requirements, and be provided for accordingly in the estimates of revenue for the same:—*

That inasmuch as the influx of gold, which is certain to continue flowing into Europe from California and Australia, will essentially and materially influence and increase the value of property of every kind, and also raise the price of the government funds and national securities, and a lower rate of interest be thereby made to rule in large monetary transactions; that every possible occasion be taken by the minister conducting the finances of the country, either under the acts now in force regulating the public funds, or by enabling acts for such objects to create debentures having the force of negotiable securities at 2 $\frac{1}{2}$ or 2 $\frac{1}{2}$ per cent., for periods of five or ten years, in exchange for stock, with option, on the part of government, of continuation or redemption of the debenture bonds at their maturity; or by borrowing from large capitalists, insurance companies, and corporate bodies, at the lowest possible rate of interest, amounts to be regulated by the prospects of the country and the state of the redemption fund previously suggested, to be repaid, both as to principal and interest, by gradual instalments, upon presentation of the graduated coupons at the exchequer; and with the amounts and profits thus obtained, and with the great and palpable savings which may be effected in the collection of the revenue, and the untried sources of revenue before adverted to, by all legitimate financial measures, to diminish the principal of the public funded debt, and also to reduce the charge thereon to the lowest possible minimum of interest.

* It was declared by the late Sir Robert Peel, in a speech made by him in parliament, that he would never carry on any government unless the resources of revenue were made to meet the expenditure; a principle followed also by the present emperor of France, who, with much practical sense and judgment, has required his ministers to effect, and they have accordingly perfected, an equilibrium in the French financial budget, for the years 1853-1854; he having also declared, that no nation can continue financially prosperous, whose expenditure is allowed to exceed its revenue.

In the conflict of opinions which must ever exist in carrying out so momentous a change as a general revision of the taxation of the empire, it would be hopeless to obtain the concurrence of all classes of the community to any specific plan of finance ; nevertheless, there is a conviction gradually extending in public opinion, that *direct* taxation is the true and legitimate mode of finance, far more than it exists at present, and that effective measures should be adopted for a more certain and gradual redemption of our national debt. And it is in the firm belief of the necessity of such revision and change, and also of their practicability in the hands of an energetic statesman, willing to grapple with the difficulties and fallacies by which our financial system has been so long surrounded, that these pages are submitted to the public consideration. Their intention is, to point out the great errors that have been committed in our financial operations in times past, whether in the raising of loans or in the imposing of taxes, with the view, primarily, to guide the legislature to the avoiding in future the same or similar mistakes, and thus to pave the way for that ultimate complete reform and revision of our financial taxation so essential to the perfection of our social system. And though the statesman, be he whomsoever he may, to whom it shall be given to effect so great a change as this, wreath not thereby his brow with the conqueror's laurel, nor inscribe his name upon the victor's scroll, yet shall he therefrom achieve for himself an imperishable renown, and after ages will mark his memory, as embalmed amid the unfading esteem of his grateful country.



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